

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

East Camden, AR Branch
East Camden, Arkansas

Docket No. A2011-30

OPENING BRIEF OF HIGHLAND INDUSTRIAL
PARK, INC., AND ITS PRESIDENT GENE HILL AND
THE EAST CAMDEN AND HIGHLAND RAILROAD
AND ITS PRESIDENT BRUCE COFFEY

I. Introduction:

Highland Industrial Park, Inc., through its president Gene Hill, and the East Camden and Highland Railroad, through its president Bruce Coffey, have appealed a United States Postal Service ("Postal Service") Final Determination to Close the East Camden, Arkansas Branch, Docket Number 1435579-71701 dated July 13, 2011 (hereafter "Final Determination"). By letter dated July 19, 2011, Highland Industrial Park, Inc. ("Highland"), by its president, Gene Hill, formally appealed the Final Determination to the Postal Regulatory Commission (the "Commission"). Mr. Hill's appeal petition was received by the Commission on July 26, 2011, and on July 27, 2011, the Commission issued its Notice and Order Accepting Appeal and Establishing Procedural Schedule. According to this schedule, opening briefs may be filed with the Commission no later than August 30, 2011.

On July 26, 2011, Bruce Coffey, President of the East Camden and Highland Railroad ("EACH") formally appealed the Final Determination. His petition was received by the Commission on August 2, 2011.

The undersigned represents Petitioners Highland (and its president Gene Hill) and EACH (and its president Bruce Coffey). This brief is filed in support of their appeal.

Also appealing this Final Determination are the City of East Camden, Arkansas, through its duly elected Mayor, Robert A. McAdoo, Spectra Technologies, LLC, through its Manager of Finance and IT, Andy Moll, and Southern Arkansas University Tech (“SAU-Tech”) through its Chancellor, Dr. Corbet J. Lamkin.

II. The Parties:

Highland is an Arkansas Corporation with its principal place of business in East Camden, Arkansas. Highland owns in excess of 18,000 acres in Ouachita and Calhoun Counties and operates the largest private industrial park in a five (5) state region. The Industrial Park is home to a number of defense contractors who produce crucial weapons systems for the United States military. The tenants of the Industrial Park collectively make up the largest employer in the region. The list of Highland Industrial Park tenants is attached to the appeal filed by Mr. Hill and Highland.

EACH is an Arkansas Corporation with its principal place of business in East Camden, Arkansas. It operates a shortline railroad that serves many tenants of the Highland Industrial Park.

Highland (and its president Gene Hill) and EACH (and its president Bruce Coffey) (hereafter “Petitioners”) are customers of the East Camden Branch Post Office and would be harmed by the Final Determination to close this postal facility.

III. Statement of Facts:

East Camden, Arkansas is an incorporated city of the second class with an elected Mayor and City Council. The city provides fire and police protection to its residents. The population of East Camden, Arkansas is approximately 931. *See*, Appeal Letter of Mayor Robert A. McAdoo.

The Postal Service operates a Postal Facility in East Camden, Arkansas. The Postal Service leases space for this Postal Facility from Highland. The current lease term runs through April 30, 2015. The lease does not contain a provision allowing early termination. *See*, Petitioners' Exhibit "1" affidavit of Gene Hill (hereafter "Hill Affidavit"), Attachment "A."

The most direct route from the East Camden, Arkansas Postal Facility to the Camden, Arkansas Postal Facility is approximately six and one-half miles (6.5). This route requires one to travel US Highway 79 Business Route which is a narrow, elevated two-lane road with four (4) bridges over the Ouachita River flood plain. The safest route from the East Camden, Arkansas Postal Facility to the Camden, Arkansas Postal Facility is approximately eight (8) miles. This route follows US Highway 79, a four-lane divided highway with shoulders. *See* Appeal Letters of Andy Moll and Robert A. McAdoo; Hill Affidavit, ¶ 12.

On February 1, 2011, David Camp, District Manager Arkansas PFC received a "request for authorization to investigate a possible change in postal service for the East Camden, Arkansas Post Office." (003).¹ The name of the person making this request is redacted in the Administrative Record. *Id.*

On February 4, 2011, Gene Hill learned that the USPS was considering closing the East Camden Arkansas Postal Facility. The following Monday, he shared this information with United States Congressman Mike Ross. *See*, Hill Affidavit, ¶ 5.

¹ Page references are to the Administrative Record filed August 10, 2011 and omit the first three (3) zeros.

On February 7, 2011, Congressman Mike Ross wrote to the Postmaster General and requested that this facility remain open. (156). Congressman Ross' letter describes the importance of the Highland Industrial Park to the local community as well as our Nation's defense, and the impact closing this facility would cause. *Id.* According to the Administrative Record, Congressman Ross' letter was not received by the Postmaster General until March 2, 2011.

A "Community Survey Sheet" was compiled on or about February 28, 2011. (022). This document erroneously states that East Camden, Arkansas is not an incorporated city and that local government, police, fire and school are all provided by the City of Camden. East Camden is in the Harmony Grove Public School attendance zone. *Id.*

Questionnaires were distributed to patrons of this Postal facility on or about March 11, 2011. (028). According to the Final Determination, fifty seven (57) questionnaires were returned. Fifty three (53) patrons expressed an unfavorable opinion of closing this facility, three (3) expressed no opinion, and one (1) expressed a favorable opinion.

No community meeting was held regarding this proposed closing. (152).

A meeting with representatives of Highland, the City of East Camden, other interested members of the community, and United States Senator John Boozman was scheduled for April 26, 2011. Hill Affidavit, ¶ 7. However, Postal Service representatives cancelled their attendance at this meeting due to tornados in Arkansas that had disrupted Postal Service in another region of the state. *Id.*, Attachment "B". Representatives of the Postal Service participated by conference call. *Id.* During this conference call, various concerns with this proposal were expressed, and Postal Service representatives promised to respond to these concerns. *Id.*

A meeting with Postal Service officials was held on May 11, 2011. Hill Affidavit, ¶ 9. Those in attendance included Gene Hill of Highland, Mayor Robert McAdoo of East Camden, representatives of tenants of the Industrial Park, Dr. Corbet Lamkin, Chancellor of SAU-Tech, and staff from the offices of United States Senator John Boozman and United States Congressman Mike Ross. Mr. David Camp and Ms. Patti Robinson attended on behalf of the Postal Service. *Id.* Among the matters discussed at this meeting included anticipated Economic Savings that would result from the closure of the East Camden facility, along with the fact that the Highland Industrial Park is not presently served by a mail carrier. *Id.*

Mr. Camp and Ms. Robinson appeared to be unaware of the lack of mail carrier service in the Industrial Park and also acknowledged that the Economic Savings analysis done by the Postal Service was flawed in that it erroneously assumes certain cost savings such as annual rent and salaries and ignores additional expenses resulting from the closure such as the expense associated with establishing mail carrier service that does not presently exist. Hill Affidavit, ¶ 9. Mr. Camp indicated that the Postal Service would re-calculate its Economic Savings analysis based on the information provided at this meeting. *Id.* However, the Final Determination contains the same flawed analysis and claim of Economic Savings contained in the original proposal to close this Post Office Branch. Final Determination, Section IV.

Documents contained in the Administrative Record appear to indicate that the Postal Service had reached its decision to recommend closure of the East Camden Branch facility before the May 11, 2011, meeting. For example, the Administrative Record contains the Postal Service's response to customer comments (002), its Proposal to Close the East Camden, AR Branch (176-180) and a "Certification of the Record" (182). Each of these documents is dated May 11, 2011, even though Postal Service representatives purported to still be studying closure.

The Final Determination to Close the East Camden, AR Branch is dated July 13, 2011.

IV. Standard of Review and Applicable Law:

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be: (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (B) without observance of procedure required by law; or (C) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

The Final Determination is based on a flawed analysis of the factors the Postal Service is required to consider in making a determination whether or not to close or consolidate a post office. As such, the Final Determination is arbitrary, capricious, an abuse of discretion, not in accordance with observance of procedure required by law and is unsupported by substantial evidence on the record. The Commission should set aside the Postal Service findings in this matter and remand the entire matter to the Postal Service for further consideration.

An agency's decision is arbitrary and capricious if:

the agency has relied on factors which Congress has not intended it to consider, entirely failed to consider an important aspect of the problem, offered an explanation for its decision that runs counter to the evidence before the agency, or is so implausible that it could not be ascribed to a difference in view or the product of agency expertise. *Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43, 77 L. Ed. 2d 443, 103 S. Ct. 2856 (1983)

“Before concluding that a decision was arbitrary and capricious, a court must be very confident that the decisionmaker overlooked something important or seriously erred in appreciating the significance of evidence.” *Wahlin v. Sears, Roebuck & Co.*, 78 F.3d 1232, 1235 (7th Cir. 1996). In determining whether an agency is arbitrary and capricious courts consider whether the decision was based on a consideration of the relevant factors and whether there has been a clear error of judgment. *Marsh v. Oregon Natural Resources Council*, 490 U.S. 360, 109 S. Ct. 1851, 104 L. Ed. 2d 377 (1989).

It is an abuse of discretion when a decision rests on clearly erroneous fact findings. *Gerritsen v. Shirai*, 979 F.2d 1524 (1992). A decision is supported by substantial evidence when “a reasonable mind might accept [it] as adequate to support a conclusion.” *Matsushita Elec. Indus. Co. v. United States*, 750 F.2d 927, 933 (Fed. Cir. 1984). Substantial evidence is such evidence that a reasonable mind might accept as adequate to support the conclusion reached by the [decision maker and] requires more than a scintilla but less than a preponderance. *Miller v. United Welfare Fund*, 72 F.3d 1066 (2d Cir. 1995); *Sandgathe v. Chater*, 108 F.3d 978, 980 (9th Cir. 1997).

33 U.S.C. 404(d)(2) provides that the Postal Service, in making a determination whether or not to close or consolidate a post office - (A) shall consider - (i) the effect of such closing or consolidation on the community served by such post office; (ii) the effect of such closing or consolidation on employees of the Postal Service employed at such office; (iii) whether such closing or consolidation is consistent with the policy of the Government that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining; (iv) the economic

savings to the Postal Service resulting from such closing or consolidation; and (v) such other factors as the Postal Service determines are necessary.

V. Argument.

The Commission has jurisdiction over the Postal Service's Final Determination to close the East Camden Postal Facility. The Postal Service's Final Determination is arbitrary and capricious, constitutes an abuse of discretion and is unsupported by substantial evidence because:

- The Final Determination is based on a flawed analysis of Economic Savings that is not supported by substantial evidence;
- The Postal Service based its decision on factual findings that are clearly erroneous;
- The Postal Service did not base its decision on relevant factors and failed to follow the procedures required by law; and
- The administrative record indicates that the Postal Service decided to close the East Camden Post Office Branch before giving careful consideration to the factors required by law.

A. *The Commission has jurisdiction over closure of the East Camden Postal Facility.*

In its Notice of Filing Administrative Record and Application for Non-Public Status filed August 10, 2011, the Postal Service contends that the Commission lacks jurisdiction under 39 U.S.C. § 404(d) to hear appeals of closures such as this one. The Commission has repeatedly rejected the Postal Service's assertions that stations and branches are not "post offices" under section 404(d)(5). Docket No. A2010-3, *East Elko Station*, Order No. 477 (June 22, 2010) at 5-6; and Docket No. N2009-1, *Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches*, March 10, 2010 at 65-66. Accordingly, the Commission should reject the

Postal Service's argument that section 404(d)(5) does not cover the East Camden Branch because it is a branch.

Similarly, the Commission should reject the Postal Service's argument that the requirements of 39 U.S.C. § 404(d) do not apply when postal services remain available from postal facilities in close proximity to the facility being closed. The Postal Service bases its argument on the Commission decision in PRC Docket No. A2010-3.² The argument is misplaced. In *East Elko*, the Commission, relying on its earlier decision in *Ecorse* that the procedural requirements of section 404(d) do not apply to a retail facility realignment within a community,³ dismissed an appeal on the grounds that the customers of the East Elko were not losing access to postal services in their community. *East Elko* at 7-8. This case does not involve the rearrangement of facilities within a community. As noted previously, East Camden is an incorporated city of the second class. It is not administered by the City of Camden as the Postal Service erroneously concludes in its Final Decision. The two communities are approximately six and one-half (6.5) miles apart by the shortest route. Not only are the facilities at issue further apart, but the Postal Service's Final Determination by its own terms refers to its actions with respect to the East Camden Branch as a "closing." *See*, Final Determination. Finally, the customers of this facility are losing their post office. While they may travel some distance to another town for postal services, the fact remains that the post office facility in the City of East Camden, Arkansas will be closed if this decision stands.

² Docket No. A2010-3, Order Dismissing Appeal, June 22, 2010 (*East Elko*).

³ Docket No. A2007-1, Order Dismissing Appeal on Jurisdictional Grounds, October 9, 2007 (*Ecorse*).

B. The Final Determination is based on a flawed analysis of Economic Savings that is not supported by substantial evidence.

Section IV of the Final Determination purports to be an analysis of “Economic Savings.”

It states:

The Postal Service estimates an annual savings of \$98,145 with a breakdown as follows:

Manager and/or Clerk Savings	\$
Fringe Benefits @ 33.5%	\$22,264
Annual Lease Costs	<u>+\$9,420</u>
Total Annual Costs	\$98,145
Less Annual Cost of Replacement Services	<u>-\$0</u>
Total Annual Savings	<u>\$98,145</u>

Because the Postal Service does not attribute any expense to “Manager and/or Clerk Savings,” the “Total Annual Costs” as stated in the Final Determination are actually \$31,684 (\$22,264 + \$9,420), not \$98,145⁴.

Next, the claim that there will be savings from “Annual Lease Costs” is contrary to the evidence in the record. The Postal Service renewed its lease on the East Camden facility for a five (5) year period effective May 1, 2010 for a period extending through April 30, 2015⁵. The Lease, which is attached to the affidavit of Gene Hill as Attachment “A,” does not contain a termination provision, and annual rental is \$9,420. Thus, the statement that there will be cost savings associated with “Annual Lease Costs” is incorrect, at least for the period ending April 30, 2015. The analysis of Economic Savings fails to consider this fact.

⁴ The Final Determination notes in the immediately preceding section that, “Any Employees assigned to this facility will be relocated with the Postal Service.” Thus, regardless of the amount of salary and fringe benefits attributable to this facility, in reality, there will be no cost savings associated with salary and fringe benefits as these positions are not being eliminated.

⁵ While the Postal Service redacted much of the Administrative Record (and without sufficient justification), Petitioners were given documents that reflect an erroneous view of the lease term. Item 3 of the “Post Office Survey Sheet” dated 02/25/11 (020) states that “the lease expires 05/31/2013 no 30-day clause \$1.00 annual lease.” The lease in fact expires April 30, 2015 (See Hill Affidavit, Attachment “B”).

Finally, the Postal Service fails to attribute any expense to “Replacement Services” ignoring its own statement that postal delivery services will be established for current customers of the East Camden Branch who are not currently served by postal delivery. As the tenants of the Highland Industrial Park are scattered over an area of approximately 50 square miles, there will most certainly be a substantial cost increase associated with establishing mail carrier service that does not currently exist. In addition, the Industrial Park tenants are large volume patrons of the Postal Service, and thus, the cost of carrier delivery service will be significant. Yet this expense is ignored. An accurate assessment of costs associated with this proposal would demonstrate that the proposed closure would result in a significant cost increase instead of economic savings.

During both the conference call of April 26, 2011, and the meeting of May 11, 2011, Mr. David Camp and Ms. Patti Robinson were informed of the fact that the lease was recently renewed through 2015, and that establishing mail carrier service would constitute an expense that was not included by the Postal Service in its analysis. Mr. Camp indicated that the Postal Service would recalculate its Economic Savings analysis based on the information provided at this meeting. However, the Final Determination contains the same flawed analysis and claim of Economic Savings contained in the original proposal to close this Post Office Branch. Closing this facility will not result in economic savings to the Postal Service but instead will result in additional expense.

As noted above, it is an abuse of discretion when a decision rests on clearly erroneous fact findings. *Gerritsen, supra*. Moreover, a reasonable mind would not accept the evidence relied on by the Postal Service in support of its finding that nearly \$100,000 in cost savings will be realized by this closure as adequate to support this conclusion. Thus, this finding does not

amount to substantial evidence. Finally, the Postal Service's determination that there will be cost savings associated with this closure is not based on a consideration of the relevant factors, represents a clear error of judgment and thus is arbitrary and capricious.

C. The Postal Service based its decision on factual findings that are clearly erroneous.

As noted above, a decision that rests on clearly erroneous fact findings constitutes an abuse of discretion. The Final Determination is based on clearly erroneous findings of fact. Most importantly, as pointed out in subpart A., the Final Determination rests on a factually erroneous calculation of Economic Savings. Additional factual errors include:

- the Final Determination states that the Camden Post Office is located four miles away. *See*, Final Determination, Section I. As noted by Mayor McAdoo and Mr. Moll in their respective appeals, the Camden facility is approximately eight (8) miles from the East Camden facility (or approximately 6.5 miles if one travels the old highway which is considered dangerous). *See also*, Hill Affidavit, ¶ 12.
- the Final Determination states, "on April 25, 2011, representative from the Postal Service were available to answer questions and provide information to customers. 0 customer(s) attended the meeting." Yet "Nonpostal Concern 7" states, "this is a station of the Camden Post Office, no community meeting is required." Furthermore, the Administrative Record confirms no such meeting was held. "No Community Meeting Held." (152).
- the Final Determination states, in "Nonpostal Concern 5," that "Services provided at the post office will be available from the carrier, and customers will not have to travel to another post office for service." There is no "carrier" for Postal Service customers of Highland Industrial Park.

- the Final Determination states that East Camden, Arkansas is administered politically by the City of Camden, Arkansas and that police and fire protection are provided by Camden. As noted earlier, East Camden, Arkansas is an incorporated city of the second class with its own city government and city services.
- the Final Determination claims that “One congressional inquiry was received on March 08, 2011.” Congressman Ross wrote concerning this proposal on February 7, 2011, and Senator Boozman’s office has been in contact with the Postal Service regarding this proposal.

Each of these erroneous fact findings was brought to the attention of the Postal Service during the April 26, 2011 conference call and the May 11, 2011 meeting, but none of them were corrected. Likewise, the Administrative Record fails to note that the April 26, 2011 conference call and May 11, 2011 meeting even occurred, nor does it contain information that was shared with Postal Service representatives at these meetings. Because the Final Determination is based on clearly erroneous fact findings, it constitutes an abuse of discretion and is not supported by substantial evidence.

D. The Postal Service did not base its decision on relevant factors and failed to follow the procedures required by law.

39 USC § 404(d)(2) requires the Postal Service to consider “the effect of such closing or consolidation on the community served by such post office.” It is clear that the Postal Service did not consider the effect of such closing on the tenants of the Industrial Park as it states that mail carrier service would be available in lieu of this postal facility and that the Camden Postal Facility is located four (4) miles away.

Neither the Final Determination nor the Administrative Record compiled in this matter reflects that the Postal Service understood or considered the effect of the proposed closing on the

tenants of the Highland Industrial Park notwithstanding the fact that Congressman Ross brought this issue to the United States Postmaster's attention in his letter dated February 7, 2011. (156). The Highland Industrial Park is the largest employer in the entire region and serves as the economic engine for this area. Closing this facility will have an adverse impact on tenants of the Highland Industrial Park and thus the regional economy. As previously noted, the Postal Service was under the impression that the Postal Facility in Camden, Arkansas was located "four miles away" when, in reality, the Camden Postal Facility is closer to eight (8) miles away.

For tenants of the Highland Industrial Park who are already anywhere from two (2) to ten (10) miles away from the East Camden Branch, the closing of this facility will create a severe hardship that the Postal Service has failed to take into account. Because the Postal Service's determination that the closing of this facility would not have an adverse effect on the community is based on an erroneous belief that the Highland Industrial Park is served by carrier service and the Camden Postal facility is only four (4) miles away, the Determination is not supported by substantial evidence and therefore is arbitrary and capricious.

E. The administrative record indicates that the Postal Service decided to close the East Camden Post Office Branch before giving careful consideration to the factors required by law.

A review of the Administrative Record makes it clear that the Postal Service failed to gather and thoughtfully consider accurate information in formulating its decision to close this postal facility. Instead, the evidence makes it clear that the Postal Service was simply going through the motions. When provided with the inaccurate information the Postal Service relied on, Petitioners and others attempted to correct the record. Specifically, during the conference call of April 26, 2011 and the meeting of May 11, 2011, mistakes, errors and inaccuracies were pointed out to Postal Service employees. Yet the Administrative Record contains no record of

these meetings nor does it reflect that the correct information provided to the Postal Service was considered. Instead, it appears the Postal Service made up its mind to close this facility and refused to allow the facts to stand in its way. There can be no clearer example that an agency's decision is arbitrary, capricious, and an abuse of discretion than the evidence in the Administrative Record which demonstrates that, on the same day that Postal Service employees were informed of the factual errors in the Record, it was certifying the Record that it now relies on to support its decision to close this facility. (182).

VI. Conclusion

For the reasons contained herein, the Final Determination of the Postal Service to close the East Camden Post Office Branch is based on factual findings that are clearly erroneous. As such, this decision is arbitrary, capricious, an abuse of discretion, not in accordance with observance of procedure required by law and is unsupported by substantial evidence on the record. Furthermore, the Postal Service's decision will have an adverse impact on the community served by such post office, is inconsistent with the policy of the Government that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining, will not result in economic savings to the Postal Service and is inconsistent with other factors the Postal Service claims it has determined to be necessary.

The Commission should set aside the following factual findings as being arbitrary and capricious and unsupported by substantial evidence in the record:

1. That closing the East Camden, Arkansas Postal Facility will result in Economic Savings of \$98,145 annually to the Postal Service;

2. That the Camden, Arkansas Post Office is four (4) miles away from the East Camden, Arkansas Postal Facility;
3. That the current level of service provided by the East Camden, Arkansas Postal Facility will be available to customers of that facility if it is closed;
4. That East Camden, Arkansas is an unincorporated community;
5. That East Camden, Arkansas is administered politically by the City of Camden, Arkansas;
6. That the City of Camden, Arkansas Police Department provides police protection to the City of East Camden, Arkansas;
7. That the City of Camden, Arkansas Fire Department provides fire protection to the City of East Camden, Arkansas;
8. That the City of East Camden, Arkansas is comprised of commuters and those who commute to work at nearby communities;
9. That delivery and retail services may be available from a rural or contract delivery carrier if this facility is closed; and
10. That the final determination to close this facility will not adversely affect the community.

The Commission should then remand the matter to the Postal Service for further consideration.

Respectfully Submitted:



Samuel E. Ledbetter

Ark. Bar No. 83110

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*Attorneys for Petitioners Highland
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Hill and East Camden and Highland
Railroad, and its President Bruce Coffey*

CERTIFICATE OF SERVICE

I, Samuel E. Ledbetter, hereby certify that I have served a copy of the foregoing Opening Brief of Highland Industrial Park, Inc. and its President Gene Hill and East Camden and Highland Railroad and its President Bruce Coffey on the following this 18th day of August, 2011:

By Electronic and U. S. mail to:

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By U. S. mail to:

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Corbet J. Lamkin, Ph.D.
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Samuel E. Ledbetter

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

East Camden, AR Branch
East Camden, Arkansas

Docket No. A2011-30

AFFIDAVIT OF GENE HILL

Comes Gene Hill, the undersigned, and states and affirms under oath as follows:

1. I am the President of Highland Industrial Park, Inc. ("Highland"). Highland is an Arkansas Corporation with its principal place of business at Highway 274 East, East Camden, Arkansas. Highland owns and operates the largest private Industrial Park in a five-state area. The Industrial Park is home to a number of defense contractors including Lockheed Martin, Aerojet, Raytheon and General Dynamics Corporation. Southern Arkansas University Technical Branch, the Arkansas Environmental Academy, the Arkansas Law Enforcement Training Academy, and the Arkansas Fire Training Academy are also located within the area encompassed by the Highland Industrial Park.

2. Highland owns approximately 18,000 acres of land. The Industrial Park encompasses an area covering approximately 50 square miles.

3. There is currently no mail carrier service in the Industrial Park. Occupants are required to conduct business with the Postal Service at the East Camden, Arkansas Postal Facility.

4. Highland leases the space used by the Postal Service for its East Camden, Arkansas Postal Facility. Attachment "A" is a true and correct copy of the lease between the

Postal Service and Highland, including a copy of the Postal Service's renewal of this lease effective May 1, 2010 for five (5) year term that expires April 30, 2015. This lease does not contain a termination or cancellation clause.

5. On or about February 4, 2011, I learned that the Postal Service was considering closing the East Camden, Arkansas Postal Facility. The following Monday, I shared this information with United States Congressman Mike Ross.

6. On April 26, 2011, I received the e-mail and documents attached thereto (Petitioners' Attachment "2") relating to the proposed closing of the East Camden Postal Facility. As is reflected, this e-mail provided information concerning the closing of the East Camden Postal Facility and scheduled a conference call in lieu of the scheduled meeting for that date.

7. On April 26, 2011, a meeting was scheduled to discuss this matter. Postal Service representatives cancelled their attendance at this meeting due to tornados in Arkansas that had disrupted Postal Service in another region of the state. Instead, a conference was held on that same date. Participating in this call from my office were United States Senator John Boozman (and members of his staff), Ouachita County Judge Mike Hesterly, East Camden Mayor Robert A. McAdoo, Dr. Corbet Lamkin, Chancellor of SAU-Tech, and me. Representatives of the Postal Service participating in this call included Mr. David Camp and Ms. Patti Robinson.

8. During the April 26, 2011 conference call, we discussed our concerns with the proposed closing, the matters contained in the documents attached to my affidavit as Attachment "2" and specifically pointed out the factual errors in the Economic Savings analysis as well as other factual errors contained in those documents.

9. A meeting with Postal Service officials was held on May 11, 2011 in the administration office of Highland Industrial Park, Inc. I attended this meeting along with Mayor Robert McAdoo of East Camden, representatives of tenants of the Industrial Park, Dr. Corbet Lamkin, Chancellor of SAU-Tech, staff from the office of United States Senator John Boozman and staff from the office of United States Congressman Mike Ross. Mr. David Camp and Ms. Patti Robinson attended on behalf of the Postal Service. Among the matters discussed at this meeting included anticipated Economic Savings that would result from the closure of the East Camden facility, along with the fact that the Highland Industrial Park is not presently served by a mail carrier. Mr. Camp appeared to me to be unaware that the Industrial Park was not served by a mail carrier and indicated that the Postal Service would re-examine the anticipated Economic Savings in light of this information. I specifically asked Mr. Camp if the cost of rural mail carrier service had been considered in the analysis of Economic Savings, and he indicated that it had not been considered.

10. I also advised Mr. Camp that the current lease term does not expire until April 30, 2015, and there is no cancellation or termination clause included in this lease.

11. I was present when Postal Service Representatives were advised that East Camden is an incorporated city with its own Mayor and City Council, that East Camden provides its own fire and police protection, that East Camden is not within the Camden-Fairview School District, and that the distance from the East Camden Postal Facility to the Camden Postal Facility is more than four (4) miles.

12. The most direct route from the East Camden, Arkansas Postal Facility to the Camden, Arkansas Postal Facility is approximately six and eight-tenths of a mile (6.8). This route requires one to travel US Highway 79 Business Route, which is a narrow, elevated two

lane road with four bridges over the Ouachita River flood plain. The safest route from the East Camden, Arkansas Postal Facility to the Camden, Arkansas Postal Facility is approximately eight (8) miles. This route follows US Highway 79, a four-lane divided highway with shoulders.

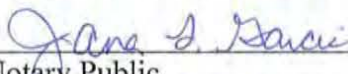
Further affiant sayeth not.



GENE HILL

STATE OF ARKANSAS)
) SS.
COUNTY OF Ouachita)

Subscribed and sworn to before me this 15th day of August, 2011.



Notary Public

My commission expires:

December 3, 2014



FEB 24 2003

February 19, 2003

Certified Mail 7000 0520 0024 6105 7027
Return Receipt Requested

HIGHLAND INDUSTRIAL
PARK A DIVISION OF HRI
RESOURCES INC
PO BOX 3108
EAST CAMDEN AR 71701-1208

Dear Lessor:

Subject: East Camden, AR 71701-9998 (041494-003)
New Lease Agreement

Enclosed is your original of the new lease agreement effective
May 1, 2005, at an annual rental rate of \$8,040.00 for the subject property.

If you have any questions, please call David Cleveland at (214) 819-7135.

We appreciate your providing this space for postal use.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bea Trotman".

Bea Trotman
Facilities Contract Technician

Enclosures

cc: FSO
Postmaster w/copy of lease
District w/copy of lease
File



Lease

Facility Name/Location

CAMDEN - EAST CAMDEN BRANCH (041494-003)
WOMBLE AND TABOR CAMDEN, AR 71701-9998

OUACHITA COUNTY
Project: G32991

This LEASE, made and entered into by and between HIGHLAND INDUSTRIAL hereinafter called the Lessor, and the United States Postal Service, hereinafter called the Postal Service:

In consideration of the mutual promises set forth and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. The Lessor hereby leases to the Postal Service and the Postal Service leases from the Lessor the following premises, hereinafter legally described in paragraph 8, in accordance with the terms and conditions described herein and contained in the 'General Conditions to U.S. Postal Service Lease,' Section A, attached hereto and made a part hereof.

Upon which is a one story brick building and which property contains areas, spaces, improvements, and appurtenances as follows:

AREA	SQ. FEET	AREA	SQ. FEET
Net Floor Space	1,410	Joint Use/Common Areas:	
Platform	24	Parking	9,800
Parking and Maneuvering			
Other:			
Driveway	390		
Landscaping			
Sidewalks			

Total Site Area: 1,824

2. RENTAL: The Postal Service will pay the Lessor an annual rental of: \$8,040.00

Eight Thousand Forty and 00/100 Dollars

payable in equal installments at the end of each calendar month. Rent for a part of a month will be prorated. Rent checks shall be disbursed as follows:

payable to:

HIGHLAND INDUSTRIAL
PARK A DIVISION OF HRI
RESOURCES INC

*

PO BOX 3108
EAST CAMDEN AR 71701-1208

unless the Contracting Officer is notified, in writing by Lessor, of any change in payee or address at least sixty (60) days before the effective date of the change.

3. TO HAVE AND TO HOLD the said premises with their appurtenances:

FIXED TERM: The term beginning May 01, 2005 and ending Apr 30, 2010 for a total of 5 years.

4. **RENEWAL OPTIONS:** The Lease may be renewed at the option of the Postal Service, for the following separate and consecutive terms and at the following annual rentals:

RENEWAL OPTION	EFFECTIVE DATE	EXPIRATION DATE	PER ANNUM RENTAL
1	5/1/2010	4/30/2015	\$9,420.00
2	5/1/2015	4/30/2020	\$11,040.00

provided that notice is sent, in writing, to the Lessor at least 30 days before the end of the original lease term and each renewal term. All other terms and conditions of this Lease will remain the same during any renewal term unless stated otherwise herein.

5. **UTILITIES, SERVICES, AND EQUIPMENT:** Lessor, as part of the rental consideration, shall furnish the following utilities, services and equipment: (See Lessor Obligations of General Conditions (A.24) and/or attached addendum for definitions.) Heating System, Air Conditioning Equipment, Light Fixtures, Sewerage System, Electrical System, Water System, USPS shall pay all separately metered utility usage and shall maintain HVAC system including replacement if necessary.

6. **OTHER PROVISIONS:** The following additional provisions, modifications, riders, layouts and/or forms were agreed upon prior to execution and made a part hereof:

Maintenance Rider - USPS (M-1), In Paragraph A.21, ALTERATIONS, Page A-5 of General Conditions, the last sentence of that paragraph is deleted. The lessor is responsible for ad valorem taxes.

7. The undersigned has completed the 'Representations and Certifications.' (See Section B).

8. **LEGAL DESCRIPTION:**

Shopping Center on tract of land containing 4.96 acres in Block No. 14 in the city of East Camden, Arkansas, which tract has a frontage of 675 feet on Hussey Road. USPS occupies 1,410 square feet of a 9,469 square foot center (15% of the total area).



Lease

EXECUTED BY LESSOR this 9th day of January, 2003.

CORPORATION

HIGHLAND INDUSTRIAL PARK, INC. (a Arkansas Corporation)

Affix Corporate Seal

PRESIDENT

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Print Name & Title

Signature

Lessor, Address: HIGHLAND INDUSTRIAL

PARK A DIVISION OF HRI
RESOURCES INC

*

PO BOX 3108 EAST CAMDEN AR 71701-1208

Telephone No:

Taxpayer ID: 710-67-0961

Witness

Witness

ACCEPTANCE BY THE POSTAL SERVICE

Date:

2/3/03

DAVID CLEVELAND

Contracting Officer

Signature of Contracting Officer

DALLAS FACILITIES SERVICE OFFICE

PO BOX 667180

DALLAS TX 75266-7180

Address of Contracting Officer



Form of Acknowledgment
for Contracting Officer

STATE OF TEXAS

SS:

COUNTY OF DALLAS

Personally appeared before me, a Notary Public in and for the County and State aforesaid,

DAVID CLEVELAND

(Identify individual party to the lease)

known to be the

CONTRACTING OFFICER

and to be the same person who executed the foregoing Lease, who deposes and says that he signed his name thereto by authority of said Postal Service, for the purposes set forth, and as his own free and voluntary act.

Witness my hand and notarial seal, in the County and State aforesaid,

this 3rd day of February, 2003

NOTARIAL
SEAL



Beatrice M. Trotman

BEATRICE M. TROTMAN
Notary Public STATE OF TEXAS

My commission expires 2/13/2006

SECTION A**A.1 CHOICE OF LAW**

This Lease shall be governed by federal law.

A.2 DEFINITIONS

As used in this contract, the following terms have the following meanings:

- a. "Contracting officer" means the person executing this contract on behalf of the Postal Service, and any other employee who is a properly authorized contracting officer; the term includes, except as otherwise provided in the contract, the authorized representative of a contracting officer acting within the limits of the authority conferred upon that person.
- b. "Successful offeror," "offeror," "owner," "contractor," or "Lessor" are interchangeable and refer to the party whose proposal is accepted by the Postal Service.
- c. "Lease" and "agreement" are interchangeable and refer to this document, including all riders and attachments thereto.

A.3 EXECUTION REQUIREMENTS

- a. All co-owners and all other persons having or to have a legal interest in the property must execute the Lease. If the offeror is married, the husband or wife of the offeror must also execute the Lease. The offeror must submit adequate evidence of title.
- b. If the offeror is a general partnership, each member must sign.
- c. If the offeror is a limited partnership, all general partners must sign.
- d. Where the offeror is an administrator or an executor of an estate, there must be furnished a certificate of the clerk of the court or certified copy of the court order showing the appointment of the administrator or executor, together with a certified copy of the will of the deceased. If there is no will, or in the event the will of the deceased does not specifically authorize the administrator or the executor to enter into a contract to lease the proposed quarters, it will generally be necessary to furnish, in addition to the above named items, a certified copy of the court order authorizing such administrator or executor to enter into a lease with the Postal Service.
- e. Where the offeror is a trustee, a certified copy of the instrument creating the trust must be furnished together with any other evidence necessary to establish the trustee's authority to lease.
- f. Where the offeror is a corporation, leases and lease agreements entered into must have the corporate seal affixed or in place thereof the statement that the corporation has no seal.
- g. Where the offeror is a corporation, municipal corporation, fraternal order or society, the Lease must be accompanied by documentary evidence affirming the authority of the agent, or agents, to execute the Lease to bind the municipal corporation, fraternal order or society for which he (or they) purports to act. The usual evidence required to establish such authority is in the form of extracts from the articles of incorporation, or bylaws, or the minutes of the board of directors duly certified by the custodian of such records, under the corporate seal. Such resolutions, when required, must contain the essential stipulations embodied in the Lease. The names and official titles of the officers who are authorized to sign the Lease must appear in the document.
- h. Notices. Any notice to Lessor provided under this Lease or under any law or regulation must be in writing and may be hand delivered or mailed to Lessor at the address specified on page 3 of the Lease, or at an address that Lessor has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Lease or under any law or regulation must be in writing and may be hand delivered or mailed, addressed to "Contracting Officer, U.S. Postal Service" at the address specified on page

3 of the Lease, or at an address that the Postal Service has otherwise directed in writing.

A.4 MORTGAGEE'S AGREEMENT

If there is now or will be a mortgage on the property which is or will be recorded prior to the recording of the Lease, the offeror must notify the contracting officer of the facts concerning such mortgage and, unless in his sole discretion the contracting officer waives the requirement, the offeror must furnish a Mortgagee's Agreement, which will consent to this Lease and shall provide that, in the event of foreclosure, mortgagee, successors, and assigns shall cause such foreclosures to be subject to the Lease.

A.5 EQUAL OPPORTUNITY

- a. The contractor may not discriminate against employees or applicants because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, or national origin. This action must include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants, notices provided by the contracting officer setting forth the provisions of this clause.
- b. The contractor must, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will be considered for employment without regard to race, color, religion, sex, or national origin.
- c. The contractor must send to each union or workers' representative with which the contractor has a collective bargaining agreement or other understanding, a notice, provided by the contracting officer, advising the union or workers' representative of the contractor's commitments under this clause, and must post copies of the notice in conspicuous places available to employees and applicants.
- d. The contractor must comply with all provisions of Executive Order (EO) 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The contractor must furnish all information and reports required by the Executive order, and by the rules, regulations, and orders of the Secretary, and must permit access to the contractor's books, records, and accounts by the Postal Service and the Secretary for purposes of investigation to ascertain compliance with these rules, regulations, and orders.
- f. If the contractor fails to comply with this clause or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part; the contractor may be declared ineligible for further contracts in accordance with the Executive order; and other sanctions may be imposed and remedies invoked under the Executive order, or by rule, regulation, or order of the Secretary, or as otherwise provided by law.
- g. The contractor must insert this clause, including this paragraph g, in all subcontracts or purchase orders under this contract unless exempted by Secretary of Labor rules, regulations, or orders issued under the Executive order. The contractor must take such action with respect to any such subcontract or purchase order as the Postal Service may direct as a means of enforcing the terms and conditions of this clause (including sanctions for noncompliance), provided, however, that if the contractor becomes involved in, or is threatened with, litigation as a result, the contractor may request the Postal Service to enter into the litigation to protect the interests of the Postal Service.
- h. Disputes under this clause will be governed by the procedures in 41 CFR 60-1.1.

A.6 FACILITIES NONDISCRIMINATION

a. As used in this clause, the term "facility" means stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in the building in which the space covered by this Lease is located.

b. The Lessor agrees that he will not discriminate by segregation or otherwise against any person or persons because of race, religion, color, age, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any facility including any and all services, privileges, accommodations, and activities provided thereby.

c. It is agreed that the Lessor's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Postal Service may take appropriate action to enforce compliance, may terminate this lease, or may pursue such other remedies as may be provided by law. In the event of termination, the Lessor shall be liable for all excess costs of the Postal Service in acquiring substitute space, including but not limited to the cost of moving to such space.

d. The Lessor agrees to include, or to require the inclusion of the foregoing provisions of this clause (with the terms "Lessor" and "Lease" appropriately modified) in every agreement or concession pursuant to which any person other than the Lessor operates or has the right to operate any facility. The Lessor also agrees that it will take such action with respect to any such agreement as the Postal Service may direct as a means of enforcing this clause, including but not limited to termination of the agreement or concession.

A.7 RESERVED**A.8 CONTINGENT FEES**

a. The contractor warrants that no person or selling agency has been employed or retained to solicit or obtain this contract for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide, established commercial or selling agencies employed by the contractor for the purpose of obtaining business.

b. For breach or violation of this warranty, the Postal Service has the right to annul this contract without liability or to deduct from the contract price or otherwise recover the full amount of the commission, percentage, brokerage fee, or contingent fee.

c. Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this clause.

A.9 ASSIGNMENT OF CLAIMS

a. If this contract provides for payments aggregating \$10,000 or more, claims for moneys due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with:

1. The contracting officer;
2. The surety or sureties upon any bond; and

3. The office, if any, designated to make payment, and the contracting officer has acknowledged the assignment in writing.

b. Assignment of this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.

c. Nothing contained herein shall be construed so as to prohibit transfer of ownership of the demised premises, provided that: 1. such transfer is subject to this agreement; and 2. both the original lessor and the successor lessor execute the standard Lease Assignment and Assumption form to be provided by the USPS Contracting Officer.

A.10 COMPLIANCE WITH OSHA STANDARDS

The Lessor must (i) comply with applicable Occupational Safety and Health Standards, title 29 Code of Federal Regulations, Part 1910, promulgated pursuant to the authority of the Occupational Safety and Health Act of 1970; (ii) comply with any other applicable federal, state, or local regulation governing workplace safety to the extent they are not in conflict with (i); and (iii) take all other proper precautions to protect the health and safety of (a) any laborer or mechanic employed by the Lessor in performance of this agreement, (b) Postal Service employees, and (c) the public. The Lessor must include this clause in all subcontracts hereunder and to require its inclusion in all subcontracts of a lower tier. The term "Lessor" as used in this clause in any subcontract must be deemed to refer to the subcontractor.

A.11 EXAMINATION OF RECORDS

a. The Postal Service and its authorized representatives will, until three years after final payment under this contract, or for any shorter period specified for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the contractor involving transactions related to this contract.

b. The contractor agrees to include in all subcontracts under this contract a provision to the effect that the Postal Service and its authorized representatives will, until three years after final payment under the subcontract, or for any shorter specified period for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the subcontractor involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes:

1. Purchase orders; and
2. Subcontracts for public utility services at rates established for uniform applicability to the general public.

A.12 YEAR 2000 WARRANTY (REAL PROPERTY CONTRACTS)

The contractor warrants that all building systems required under this contract (including, but not limited to, HVAC, electrical, lighting, elevator, or security/alarm systems) which contain or are managed, governed, or regulated in any manner by date-sensitive computer hardware or software, will suffer no failure, irregularity, or interruption of service based on failure accurately to process date data from, into, and between the twentieth and twenty-first centuries, including recognizing the year 2000 as a leap year. For breach of this warranty, the Postal Service may require the contractor to repair or replace those portions of any building system not performing as stated above.

The Postal Service may enforce this clause prior to January 1, 2000, if testing of any system before that date results in a failure, irregularity, or interruption of service as described above. Accordingly, systems must permit user-programmed date changes sufficient to simulate time periods beginning with any future date, including without limitation December 31, 1999. Nothing in this warranty may be construed to limit any rights or remedies the Postal Service may otherwise have under this contract with regard to Year 2000 compliance or any other defects or failures.

A.13 CLAIMS AND DISPUTES

a. This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613) ("the Act").

b. Except as provided in the Act, all disputes arising under or relating to this contract must be resolved under this clause.

c. "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph d.2 below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

d.

1. A claim by the contractor must be made in writing and submitted to the contracting officer for a written decision. A claim by the Postal Service against the contractor is subject to a written decision by the contracting officer.

2. For contractor claims exceeding \$100,000, the contractor must submit with the claim the following certification:

"I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief, that the amount requested accurately reflects the contract adjustment for which the contractor believes the Postal Service is liable, and that I am duly authorized to certify the claim on behalf of the contractor."

3. The certification may be executed by any person duly authorized to bind the contractor with respect to the claim.

e. For contractor claims of \$100,000 or less, the contracting officer must, if requested in writing by the contractor, render a decision within 60 days of the request. For contractor-certified claims over \$100,000, the contracting officer must, within 60 days, decide the claim or notify the contractor of the date by which the decision will be made.

f. The contracting officer's decision is final unless the contractor appeals or files a suit as provided in the Act.

g. When a claim is submitted by or against a contractor, the parties by mutual consent may agree to use an alternative dispute resolution (ADR) process to assist in resolving the claim. A certification as described in d(2) of this clause must be provided for any claim, regardless of dollar amount, before ADR is used.

h. The Postal Service will pay interest on the amount found due and unpaid from:

1. The date the contracting officer receives the claim (properly certified if required); or
2. The date payment otherwise would be due, if that date is later, until the date of payment.

i. Simple interest on claims will be paid at a rate determined in accordance with the interest clause.

j. The contractor must proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the contracting officer.

A.14 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS

The following clause is applicable if this contract provides for payments aggregating \$2,500 or more.

a. The contractor may not discriminate against any employee or applicant because of physical or mental handicap, in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination in all employment practices, such as employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship).

b. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

c. In the event of the contractor's noncompliance with this clause, action may be taken in accordance with the rules and regulations and relevant orders of the Secretary of Labor.

d. The contractor agrees to post in conspicuous places, available to employees and applicants, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. These notices state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants, and the rights of applicants and employees.

e. The contractor must notify each union or worker's representative with which it has a collective bargaining agreement or other understanding that the contractor is bound by the terms of section 503 of the Act and is committed to taking affirmative action to employ, and advance in employment, handicapped individuals.

f. The contractor must include this clause in every subcontract or purchase order over \$2,500 under this contract unless exempted by rules, regulations, or orders of the Secretary issued pursuant to section 503 of the Act, so its provisions will be binding upon each subcontractor or vendor. The contractor must take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce in these provisions, including action for noncompliance.

A.15 AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

If this contract provides for payments aggregating \$10,000 or more, the following clause is applicable.

a. The contractor may not discriminate against any employee or applicant because that employee or applicant is a disabled veteran or veteran of the Vietnam era, in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination in all employment practices, such as employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training (including apprenticeship).

b. The contractor agrees to list all employment openings which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one where the contract is being performed, but excluding those of independently operated corporate affiliates, at an appropriate local office of the state employment service where the opening occurs. State and local government agencies holding Postal Service contracts of \$10,000 or more

will also list their openings with the appropriate office of the state employment service.

c. Listing of employment openings with the employment service system will be made at least concurrently with the use of any other recruitment source or effort and will involve the normal obligations attaching to the placing of a bona fide job order, including the acceptance of referrals of veterans and non-veterans. The listing of employment openings does not require the hiring of any particular applicant or hiring from any particular group of applicants, and nothing herein is intended to relieve the contractor from any other requirements regarding nondiscrimination in employment.

d. Whenever the contractor becomes contractually bound to the listing provisions of this clause, it must advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. The contractor may advise the State system when it is no longer bound by this clause.

e. Paragraphs b, c, and d above do not apply to openings the contractor proposes to fill from within its own organization or under a customary and traditional employer/union hiring arrangement. But this exclusion does not apply to a particular opening once the contractor decides to consider applicants outside its own organization or employer/union arrangements for that opening.

f. Definitions

1. All Employment Openings. This includes all positions except executive and top management, those positions that will be filled from within the contractor's organization, and positions lasting three days or less. This also includes full-time employment, temporary employment of more than three days duration, and part-time employment. Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations in which the needs of the Postal Service cannot reasonably be otherwise supplied, when listing would be contrary to national security, or when listing would not be in the best interest of the Postal Service.

2. Appropriate Office of the State Employment Service. This means the local office of the federal/state national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, the Commonwealth of Puerto Rico, and the Virgin Islands.

3. Positions That Will be Filled From Within the Contractor's Own Organization. This means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries and parent companies) and includes any openings which the contractor proposes to fill from regularly established recall lists.

4. Openings the Contractor Proposes to Fill Under a Customary and Traditional Employer/Union Hiring Arrangement. Employment openings the contractor proposes to fill from union halls as part of the customary and traditional hiring relationship existing between it and representatives of its employees.

g. The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.

h. In the event of the contractor's noncompliance with this clause, action may be taken in accordance with the rules, regulations, and relevant orders of the Secretary.

i. The contractor agrees to post in conspicuous places, available to employees and applicants, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. These notices state the contractor's obligation under the law to take affirmative action to employ and advance in

employment qualified disabled veterans and veterans of the Vietnam era, and the rights of applicants and employees.

j. The contractor must notify each union or workers' representative with which it has a collective bargaining agreement or other understanding that the contractor is bound by the terms of the Act and is committed to taking affirmative action to employ, and advance in employment, qualified disabled veterans and veterans of the Vietnam era.

k. The contractor must include this clause in every subcontract or purchase order of \$10,000 or more under this contract unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so its provisions will be binding upon each subcontractor or vendor. The contractor must take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce in these provisions, including action for noncompliance.

A.16 GRATUITIES OR GIFTS

a. The Postal Service may terminate this contract for default if, after notice and a hearing, the Postal Service Board of Contract Appeals determines that the contractor or the contractor's agent or other representative:

1. Offered or gave a gratuity or gift (as defined in 5 CFR 2635) to an officer or employee of the Postal Service; and

2. Intended by the gratuity to obtain a contract or favorable treatment under a contract.

b. The rights and remedies of the Postal Service provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

A.17 HAZARDOUS/TOXIC CONDITIONS CLAUSE

"Asbestos containing building material" (ACBM) means any material containing more than 1% asbestos as determined by using the method specified in 40 CFR Part 763, Subpart E, Appendix E. "Friable asbestos material" means any ACBM that when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

The Lessor must identify and disclose the presence, location and quantity of all ACBM or presumed asbestos containing material (PACM) which includes all thermal system insulation, sprayed on and troweled on surfacing materials, and asphalt and vinyl flooring material unless such material has been tested and identified as non-ACBM. The Lessor agrees to disclose any information concerning the presence of lead-based paint, radon above 4 pCi/L, and lead piping or solder in drinking water systems in the building, to the Postal Service.

Sites cannot have any contaminated soil or water above applicable federal, state or local action levels or undisclosed underground storage tanks. Unless due to the act or negligence of the Postal Service, if contaminated soil, water, underground storage tanks or piping or friable asbestos material or any other hazardous/toxic materials or substances as defined by applicable Local, State or Federal law is subsequently identified on the premises, the Lessor agrees to remove such materials or substances upon notification by the U. S. Postal Service at Lessor's sole cost and expense in accordance with EPA and/or State guidelines. If ACBM is subsequently found in the building which reasonably should have been determined, identified, or known to the Lessor, the Lessor agrees to conduct, at Lessor's sole expense, an asbestos survey pursuant to the standards of the Asbestos Hazard Emergency Response Act (AHERA), establish an Operations and Maintenance (O&M) plan for asbestos management, and provide the survey report and plan to the Postal Service. If the Lessor fails to remove any friable asbestos or hazardous/toxic materials or substances, or complete an AHERA asbestos survey and O&M plan, the Postal Service has the right to accomplish the work and deduct the cost plus administrative costs, from future rent payments or recover these costs from Lessor by

General Conditions to USPS Lease

other means, or may, at its sole option, cancel this Lease. In addition, the Postal Service may proportionally abate the rent for any period the premises, or any part thereof, are determined by the Postal Service to have been rendered unavailable to it by reason of such condition.

The remainder of this clause applies if this Lease is for premises not previously occupied by the Postal Service.

By execution of this Lease the Lessor certifies:

1. the property and improvements are free of all contamination from petroleum products or any hazardous/toxic or unhealthy materials or substances, including friable asbestos materials, as defined by applicable State or Federal law;
2. there are no undisclosed underground storage tanks or associated piping, ACBM, radon, lead-based paint, or lead piping or solder in drinking water systems, on the property; and
3. it has not received, nor is it aware of, any notification or other communication from any governmental or regulatory entity concerning any environmental condition, or violation or potential violation of any local, state, or federal environmental statute or regulation, existing at or adjacent to the property.

The Lessor hereby indemnifies and holds harmless the Postal Service and its officers, agents, representatives, and employees from all claims, loss, damage, actions, causes of action, expense, fees and/or liability resulting from, brought for, or on account of any violation of this clause.

A.18 ADVERTISING OF CONTRACT AWARDS

Except with the contracting officer's prior approval, the contractor agrees not to refer in its commercial advertising to the fact that it was awarded a Postal Service contract or to imply in any manner that the Postal Service endorses its products.

A.19 RECORDING

This agreement or a memorandum hereof, must be recorded at the expense of the Lessor. Such expense includes all fees required for or incident to recording. If the Lessor fails to record the Lease, or a memorandum thereof, the Postal Service may record the Lease or a memorandum thereof, and deduct all costs associated therewith from future rents.

A.20 SUBLEASE

The Postal Service may sublet all or any part of the premises or assign this lease but shall not be relieved from any obligation under this lease by reason of any subletting or assignment.

A.21 ALTERATIONS

The Postal Service shall have the right to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased (provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with the rights granted to other tenants on the property or in the building in which said premises are located); which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the Postal Service and may be removed or otherwise disposed of by the Postal Service. Prior to expiration or termination of this lease the Postal Service may remove such alterations and improvements and restore the premises to as good condition as that existing at the time of entering upon the same under the lease, reasonable and ordinary wear and tear and damages by the elements or by circumstances over which the Postal Service has no control, excepted. ~~however, at the expiration or termination of the lease or any renewal or extension thereof, the Postal Service elects not to remove such alterations and/or improvements, said alterations and/or improvements shall become the property of the Lessor and any rights of reclamation are waived.~~

(SENTENCE DELETED)

A.22 APPLICABLE CODES AND ORDINANCES

The Lessor, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the rented space is situated and to obtain all necessary permits and related items at no cost to the Postal Service.

A.23 DAMAGE OR DESTRUCTION OF PREMISES

If the demised premises or any portion thereof are damaged or destroyed by fire or other casualty, Acts of God, of a public enemy, riot or insurrection or are otherwise determined by the Postal Service to be unfit for use and occupancy, the Postal Service may:

- a. terminate this lease as of the date the premises become unfit for use and occupancy, or
- b. require the Lessor to repair or rebuild the premises as necessary to restore them to tenantable condition to the satisfaction of the Postal Service. For any period the premises, or any part thereof, are unfit for use and occupancy, the rent will be abated in proportion to the area determined by the Postal Service to be untenable. Unfitness for use does not include unsuitability arising from such causes as design, size, or location of the premises, or
- c. accomplish all repair necessary for postal occupancy and deduct all such costs, plus administrative burden from future rents.

A.24 LESSOR OBLIGATIONS

The Lessor's obligations regarding the services to be provided are further defined as follows:

- a. If heating system and fuel are furnished - Lessor must furnish heating system together with all fuel required for proper operation of the system during the continuance of the Lease. The system must be in good working order and, if maintained by the Lessor, will be maintained in accordance with the Maintenance Rider attached hereto. Any investigative or remediation cost associated with a release of fuel from the system, including any fuel tank, shall be the responsibility of the Lessor, unless the release is caused by the act or negligence of the Postal Service.
- b. If heat is furnished - Lessor must maintain a uniform heating temperature of 65 degrees F. in all enclosed portions of the demised premises during the continuance of the Lease.
- c. If heating system is furnished - Lessor must furnish heating system in good working order and, if maintained by Lessor, will be maintained in accordance with the Maintenance Rider attached hereto. Any investigative or remediation cost associated with a release of fuel from the system, including any fuel tank, shall be the responsibility of the Lessor, unless the release is caused by the act or negligence of the Postal Service.
- d. If lighting fixtures and power are furnished - Lessor must provide light fixtures in good working order as well as pay all recurring electric bills.
- e. If light fixtures are furnished - Lessor must provide light fixtures in good working order.
- f. If electricity is furnished - Lessor must pay for all recurring electric bills and furnish the electrical system during the continuance of the Lease.
- g. If electrical system is furnished - Lessor must furnish an electrical system in good working order having a separate electrical meter.
- h. If water system and water service are furnished - Lessor must furnish a water system in good working order and pay for all recurring water bills during the continuance of the Lease.



General Conditions to USPS Lease

i. If water system is furnished - Lessor must furnish a water system in good working order with separate water meter.

j. If sewerage system and sewerage service is furnished - Lessor agrees to furnish sewerage systems including all equipment, piping, plumbing, lines, connections, septic tanks, field lines and related devices, as necessary and to pay all charges, fees and other costs for such system and services during the continuance of the Lease.

k. If sewerage system is furnished - Lessor agrees to furnish sewerage systems including all equipment, piping, plumbing, lines, connections, septic tanks, field lines, and related devices, as necessary during the continuance of the Lease.

l. Future Availability of Public Water and/or Sewerage Services - Regardless of Lessor's responsibility for water and/or sewerage under this Lease, if public water and/or sewerage services are not currently available, but become available in the future, the Lessor agrees to accomplish connection, maintain, and pay all fees and costs involved in connecting the building system to the public water and/or sewerage systems. After connection, the Postal Service agrees to pay recurring charges for water consumption and use of sewerage services. If connection of such services is optional, the Postal Service will determine if the connection is to be made by the Lessor.

m. If air-conditioning equipment and operating power are provided - Lessor must furnish air-conditioning equipment together with all power required for proper operation of the equipment during the continuance of the Lease. The equipment must be in good working order and, if maintained by the Lessor, will be maintained in accordance with the Maintenance Rider attached hereto.

n. If air-conditioning equipment is furnished - Lessor must furnish air conditioning equipment in the demised premises in good working order and, if maintained by Lessor, will be maintained in accordance with the Maintenance Rider included attached hereto.

o. If air-conditioning is furnished - Lessor must maintain a uniform temperature of no greater than 78 degrees F. in all enclosed portions of the demised premises and be responsible for servicing of the air conditioning equipment including, but not limited to, the replacement of necessary filters and refrigerant as required for proper operation of the equipment together with power, water and other services for its operation.

A.25 LESSOR'S SUCCESSORS

The terms and provisions of this Lease and the conditions herein are binding on the Lessor, and all heirs, executors, administrators, successors, and assigns.

A.26 RESERVED

A.27 DAVIS-BACON ACT

The following is applicable if this agreement covers premises of net interior space in excess of 6,500 square feet and involves construction work over \$2,000.00.

a. Minimum Wages

1. All mechanics and laborers employed in the contract work (other than maintenance work of a recurring, routine nature necessary to keep the building or space in condition to be continuously used at an established capacity and efficiency for its intended purpose) must be paid unconditionally, and not less than once a week, without deduction or rebate (except for deductions permitted by the Copeland Regulations (29 CFR Part 3)), the amounts due at the time of payment computed at rates not less than the aggregate of the basic hourly rates and rates of payments, contributions, or costs for any fringe benefits contained in the

wage-determination decision of the Secretary of Labor, attached hereto, regardless of any contractual relationship alleged to exist between the Lessor, or subcontractor and these laborers and mechanics. A copy of the wage-determination decision must be kept posted by the Lessor at the site of the work in a prominent place where it can easily be seen by the workers.

2. The Lessor may discharge its obligation under this clause to workers in any classification for which the wage-determination decision contains:

(a) Only a basic hourly rate of pay, by making payment at not less than that rate, except as otherwise provided in the Copeland Regulations (29 CFR Part 3); or

(b) Both a basic hourly rate of pay and fringe-benefit payments, by paying in cash, by irrevocably contributing to a fund, plan, or program for, or by assuming an enforceable commitment to bear the cost of, bona fide fringe benefits contemplated by 40 U.S.C. 276a, or by a combination of these.

3. Contributions made, or costs assumed, on other than a weekly basis (but not less often than quarterly) are considered as having been constructively made for a weekly period. When a fringe benefit is expressed in a wage determination in any manner other than as an hourly rate and the Lessor pays a cash equivalent or provides an alternative fringe benefit, the Lessor must furnish information with the Lessor's payrolls showing how the Lessor determined that the cost incurred to make the cash payment or to provide the alternative fringe benefit is equal to the cost of the wage-determination fringe benefits. When the Lessor provides a fringe benefit different from that contained in the wage determination, the Lessor must show how the hourly rate was arrived at. In the event of disagreement as to an equivalent of any fringe benefit, the contracting officer must submit the question, together with the contracting officer's recommendation, to the Secretary of Labor for final determination.

4. If the contractor does not make payments to a trustee or other third person, the contractor may consider as payment of wages the costs reasonably anticipated in providing bona fide fringe benefits, but only with the approval of the Secretary of Labor pursuant to a written request by the Lessor. The Secretary of Labor may require the Lessor to set aside assets in a separate account, to meet the Lessor's obligations under any unfunded plan or program.

5. The contracting officer will require that any class of laborers or mechanics not listed in the wage-determination but to be employed under the contract will be classified in conformance with the wage-determination and report the action taken to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210-0001, for approval. The contracting officer will approve an additional classification and wage rate and fringe benefits therefor only if:

(a) The work to be performed by the classification requested is not performed by a classification in the wage-determination;

(b) The classification is utilized in the area by the construction industry; and

(c) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

6. If the Lessor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate and fringe benefits therefor, the contracting officer must submit the question, together with the views of the interested parties and the contracting officer's recommendation, to the Wage and Hour Administrator for final

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General Conditions to USPS Lease

determination. The Administrator or authorized representative will, within 30 days of receipt, approve, modify, or disapprove every proposed additional classification action, or issue a final determination if the parties disagree, and so advise the contracting officer or advise that additional time is necessary. The final approved wage rate (and fringe benefits if appropriate) must be paid to all workers performing work in the classification under the contract from the first day work is performed in the classification. The Lessor will post a copy of the final determination of the conformance action with the wage-determination information collection and reporting requirements contained in subparagraph a.5 above and in this subparagraph a.6 have been approved by the Office of Management and Budget under OMB control number 1215-0140.)

b. Apprentices and Trainees

1. Apprentices may be permitted to work only when

- (a) registered, individually, under a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, U.S. Department of Labor, or, if no such recognized agency exists in a state, under a program registered with the Bureau of Apprenticeship and Training; or
- (b) if not individually registered in the program, certified by the Bureau of Apprenticeship and Training or state agency (as appropriate) to be eligible for probationary employment as an apprentice. Trainees may be permitted to work only if individually registered in a program approved by the Employment and Training Administration, U.S. Department of Labor.

2. The ratio of apprentices to journeymen or trainees to journeymen in any craft classification must not be greater than that permitted for the Lessor's entire work force under the registered apprenticeship or trainee program. Apprentices and trainees must be paid at least the applicable wage rates and fringe benefits specified in the approved apprenticeship or trainee program for the particular apprentice's or trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage-determination. If the apprenticeship or trainee program does not specify fringe benefits, apprentices or trainees must be paid in the full amount of fringe benefits listed on the wage-determination for the applicable classification unless the Administrator of Wage and Hour Division determines that a different practice prevails. Any employee listed on a payroll at an apprentice or trainee wage rate not registered, or performing work on the job site in excess of the ratio permitted under the registered program, must be paid the wage rate on the wage determination for the classification of work actually performed.

3. If the Bureau of Apprenticeship and Training or State agency recognized by the Bureau (as appropriate) withdraws approval of an apprenticeship program, or if the Employment and Training Administration withdraws approval of a trainee program, the contractor will no longer be permitted to utilize apprentices or trainees (as appropriate) at less than the applicable predetermined rate for the work performed until an acceptable program is approved. (See 29 CFR 5.16 for special provisions that apply to training plans approved or recognized by the Department of Labor prior to August 20, 1975.)

4. The utilization of apprentices, trainees, and journeymen must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

c. Overtime Compensation

1. The Lessor may not require or permit any laborer or mechanic employed on any work under this contract to work more than 40 hours in any workweek on work subject to the provisions of the Contract Work

Hours and Safety Standards Act (40 U.S.C. 327-333), unless the laborer or mechanic receives compensation at a rate not less than one-and-one-half times the laborer's or mechanic's basic rate of pay for all such hours worked in excess of 40 hours.

2. For violations of subparagraph c.1 above, the Lessor is liable for liquidated damages, which will be computed for each laborer or mechanic at \$10 for each day on which the employee was required or permitted to work in violation of subparagraph c.1 above.

3. The contracting officer may withhold from the Lessor sums as may administratively be determined necessary to satisfy any liabilities of the Lessor for unpaid wages and liquidated damages pursuant to subparagraph c.2 above.

d. Payroll and Other Records

1. For all laborers and mechanics employed in the work covered by this clause, the Lessor must maintain payrolls and related basic records and preserve them for a period of three years after contract completion. The records must contain the name, address, and social security number of each employee, the employee's correct classification, rate of pay (including rates of contributions for, or costs assumed to provide, fringe benefits), the daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Lessor has obtained approval from the Secretary of Labor to assume a commitment to bear the cost of fringe benefits under subparagraph a.4 above, the Lessor must maintain records showing the commitment and its approval, communication of the plan or program to the employees affected, and the costs anticipated or incurred under the plan or program. Lessors employing apprentices or trainees under approved programs must maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (The Department of Labor information collection and record keeping requirements in this subparagraph d.1 have been approved by the Office of Management and Budget under OMB control numbers 1215-0140 and 1215-0017.)

2. The Lessor must submit weekly, for each week in which any work covered by this clause is performed, a copy of all payrolls to the contracting officer. The Lessor is responsible for the submission of copies of payrolls of all subcontractors. The copy must be accompanied by a statement signed by the Lessor indicating that the payrolls are correct and complete, that the wage rates contained in them are not less than those determined by the Secretary of Labor, and that the classifications set forth for each laborer or mechanic conform with the work the laborer or mechanic performed. Submission of the Weekly Statement of Compliance (see 29 CFR 5.5(a)(3)(ii)) required under this agreement satisfies this requirement. As required by this clause, the Lessor must submit a copy of any approval by the Secretary of Labor. (The Department of Labor information collection and reporting requirements in this subparagraph d.2 have been approved by the Office of Management and Budget under OMB control number 1215-0149.)

3. The Lessor's records required under this clause must be available for inspection by authorized representatives of the contracting officer and the Department of Labor, and the Lessor must permit the representative to interview employees during working hours on the job.

4. The Lessor must comply with the Copeland Regulations of the Secretary of Labor (29 CFR Part 3), which are hereby incorporated in this contract by reference.

e. Withholding of Funds. The contracting officer may withhold from the Lessor under this or any other contract with the Lessor so much of the accrued payments or advances as is considered necessary to pay all laborers and mechanics the full amount of wages required by this contract

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General Conditions to USPS Lease

or any other contract subject to the Davis-Bacon prevailing wage requirements that is held by the Lessor.

f. Subcontracts

1. If the Lessor or any subcontractor fails to pay any laborer or mechanic employed on the site of the work any of the wages required by the contract, the contracting officer may, after written notice to the lessor, suspend further payments or advances to the lessor until violations have ceased.
2. The lessor agrees to insert this clause, including this paragraph f, in all subcontracts hereunder. The term "lessor" as used in this clause in any subcontract, is deemed to refer to the lower-tier subcontractor.

g. Compliance with Davis-Bacon and Related Acts Requirements. All rulings and interpretations of the Davis-Bacon Act and related acts contained in 29 CFR Parts 1, 3, and 5 are hereby incorporated by reference in this contract.

h. Certification of Eligibility

1. By entering into this contract, the lessor certifies that neither it or any person or firm having an interest in the lessor is ineligible to be awarded contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
2. No part of this contract will be subcontracted to any person or firm ineligible for contract award by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
3. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

i. Contract Termination and Debarment. A breach of this Davis-Bacon Act clause may be grounds for termination of the contract and debarment as a contractor and subcontractor as provided in 29 CFR 5.12.

j. Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract are not subject to the Claims and Disputes clause. They will be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the lessor (or any of its subcontractors) and the Postal Service, the U.S. Department of Labor, or the employees or their representatives.

A.28 BANKRUPTCY

In the event the Lessor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Lessor will furnish, by certified mail, written notification of the bankruptcy to the contracting officer responsible for administering the contract. The notification must be furnished within five days of the initiation of the bankruptcy proceedings. The notification must include the date on which the bankruptcy petition was filed, the court in which the petition was filed, and a list of Postal Service contracts and contracting officers for all Postal Service contracts for which final payment has not yet been made. This obligation remains in effect until final payment under this contract.



Representations and Certifications

SECTION B

B.1 TYPE OF BUSINESS ORGANIZATION

The offeror, by checking the applicable blocks, represents that it:

a. Operates as ☐ a corporation incorporated under the laws of the State of Arkansas, ☐ an individual, ☐ a partnership, ☐ a joint venture, ☐ a non-profit organization, or ☐ an educational institution; and

b. Is a ☐ small business concern, ☐ minority-owned business, ☐ woman-owned business, ☐ labor surplus area concern, ☐ educational or other non-profit organization, or ☐ none of the above entities.

c. **SMALL BUSINESS CONCERN.** A small business concern for the purposes of Postal Service procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operations in which it is submitting an offer, and is of a size consistent with the standards set forth by SBA in CFR Part 121, or if no standard has been established, then of a size employing not more than 500 employees. (Also see USPS Procurement Manual, Chapter 10, Section 1.)

d. **MINORITY-OWNED BUSINESS.** A minority-owned business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans. ("Native Americans" means American Indians, Eskimos, Aleuts, and native Hawaiians. "Asian-Pacific Americans" means those whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands, the Northern Marianas Islands, Laos, Kampuchea, or Taiwan. "Asian-Indian Americans" means those whose origins are in India, Pakistan, or Bangladesh.)

e. **WOMAN-OWNED BUSINESS.** A woman-owned business is a business which is at least 51 percent owned, controlled, and operated by a woman or women. Controlled is defined as exercising the power to make policy decisions. Operated is defined as actively involved in the day-to-day management.

f. **LABOR SURPLUS AREA.** A geographical area which at the time of award is either a section of concentrated unemployment or underemployment, a persistent labor surplus area, or a substantial labor surplus area, as defined in this paragraph.

1. Section of concentrated unemployment or underemployment means appropriate sections of States or labor areas so classified by the Secretary of Labor.

2. Persistent labor surplus area means an area which is classified by the Department of Labor as an area of substantial and persistent labor surplus (also called Area of Substantial and Persistent Unemployment) and is listed as such by that Department in conjunction with its publication, Area Trends in Employment and Unemployment.

3. Substantial labor surplus area means an area which is classified by the Department of Labor as an area of substantial labor surplus (also called Area of Substantial Unemployment) and which is listed as such by that Department in conjunction with its publication, Area Trends in Employment and Unemployment.

g. **LABOR SURPLUS AREA CONCERN.** A firm which will perform or cause to be performed a substantial proportion of a contract in a labor surplus area.

h. **EDUCATIONAL OR OTHER NON-PROFIT ORGANIZATION.** Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

B.2 PARENT COMPANY AND TAXPAYER IDENTIFICATION NUMBER

a. A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.

b. Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security Number or other Employee Identification Number used on the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941.

Offeror's TIN: 71-0670961



Representations and Certifications

c. ☐ Check this block if the offeror is owned or controlled by a parent company.

d. If the block above is checked, provide the following information about the parent company:

Parent Company's Name: NA
Parent Company's Main Office Address: _____
No. and Street: _____
City: _____ State: _____ Zip Code: _____
Parent Company's TIN: NA

e. If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent: NA
Common Parent's TIN: NA

B.3 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

a. By submitting this proposal, the offeror certifies, and in the case of a joint proposal each party to it certifies as to its own organization, that in connection with this solicitation:

1. The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other offeror or with any competitor;
2. Unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the offeror before award of a contract, directly or indirectly to any other offeror or to any competitor; and
3. No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

b. Each person signing this proposal certifies that:

1. He or she is the person in the offeror's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to paragraph a above; or
2. He or she is not the person in the offeror's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to paragraph a above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to paragraph a above.

c. Modification or deletion of any provision in this certificate may result in the rejection of the proposal as unacceptable. Any modification or deletion should be accompanied by a signed statement explaining the reasons and describing in detail any disclosure or communication.

B.4 CONTINGENT FEE REPRESENTATION

a. The offeror must complete the following representations:

1. The offeror ☐ has ☒ has not employed or retained any company or person (other than a full-time bona fide employee working solely for the offeror) to solicit or secure this contract.
2. The offeror ☐ has ☒ has not paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the offeror) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this contract.

b. If either representation is in the affirmative, or upon request of the contracting officer, the offeror must furnish, in duplicate, a completed Form 7319, "Contractor's Statement of Contingent or Other Fees," and any other information requested by the contracting officer. If the offeror has previously furnished a completed Form 7319 to the office issuing this solicitation, it may accompany its proposal with a signed statement—

1. Indicating when the completed form was previously furnished;



Representations and Certifications

2. Identifying the number of the previous solicitation or contract, if any, in connection with which the form was submitted; and
3. Representing that the statement on the form is applicable to this proposal.

c. Licensed real estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this clause.

B.5 CERTIFICATION OF NONSEGREGATED FACILITIES

a. By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract.

b. As used in this certification, "segregated facilities" means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.

c. The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods).

NOTICE

A certification of nonsegregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

B.6 RESERVED "*Clean Air & Water Certification*" in current lease

B.7 LEASES BETWEEN THE POSTAL SERVICE AND ITS EMPLOYEES, CONTRACT EMPLOYEES, OR BUSINESS ORGANIZATIONS SUBSTANTIALLY OWNED OR CONTROLLED BY POSTAL SERVICE EMPLOYEES OR CONTRACT EMPLOYEES

By submitting this proposal, the offeror certifies that the offeror ☐ is, ☒ is not an employee, a personal service contract employee or a member of the immediate family of a Postal Service employee or personal service contract employee OR a business organization (partnership, corporation, joint venture, etc.) substantially owned or controlled by a Postal Service employee, a personal service contract employee, or a member of the immediate family of a Postal Service employee or personal service contract employee. "Immediate family" means spouse, minor child or children, and other individuals related to the employee by blood who are residents of the employee's household.



Maintenance Rider USPS Responsibility (Partial)

a. If the Postal Service is assuming maintenance responsibility for the demised premises for the first time, the Lessor must correct all maintenance deficiencies and obtain a written certification from a professional HVAC firm that the heating, ventilating and air conditioning systems have been maintained and are in proper working condition. The Lessor will remain responsible until all deferred maintenance work has been completed to the satisfaction of the Postal Service and Postal Service is in receipt of and accepts the aforementioned written certification.

b. The term "demised premises" as used in this rider includes the premises described in the Lease, the improvements and appurtenances to such premises and all equipment and fixtures furnished, or to be furnished, by the Lessor under this Lease.

c. The Postal Service is responsible for ordinary repairs to, and maintenance of the demised premises except for those repairs that are specifically made the responsibility of the Lessor in this Lease. The responsibility of the Postal Service as stated herein will be fulfilled at such time and in such manner as the Postal Service considers necessary to keep the demised premises in proper condition.

d. The Lessor is responsible for:

(1) Repairs to all common or joint use areas, common or joint use equipment and fixtures that may be included as part of this Lease.

(2) All repairs to structural elements and all parts of the roof system. The term "structural elements" as used in this clause is limited to the foundation, bearing walls, floors (not including floor covering), and column supports. The roof system includes, but is not limited to, the roof covering, flashing and insulation, and roof beams, joists, and deck.

(3) Repairs resulting from Acts of God, of a public enemy, riot or insurrection.

(4) Inspection, prevention and eradication of termites and any other wood eating insects and for repairs of any damage resulting therefrom.

(5) Repairs resulting from defects in building construction or installation of equipment, fixtures, or appurtenances furnished by the Lessor.

(6) Repairs resulting from fire or other casualties, unless such casualties were caused by the negligence of employees or agents of the Postal Service.

(7) Any ordinary repairs by the Postal Service which were made necessary by the failure of any element for which the Lessor is responsible.

e. When the need arises for repairs which are the responsibility of the Lessor, including any repairs or actions for which the Lessor is responsible under paragraph a. hereof, the Postal Service will (except in emergencies) give the Lessor written notice of the needed repairs and will specify a reasonable deadline for completion of the work. A copy of such notice will be sent by certified or registered mail to the Lessor's mortgagee and assignee of monies due or to become due pursuant to this Lease whose names and addresses have been furnished to the Postal Service by the Lessor. If none of these parties (lessor, mortgagee or assignee) proceed with the work with such diligence so as to ensure completion within the time specified in the notice (or any extension thereof granted at the sole discretion of the Postal Service) or actually fails to complete the work within said time, the Postal Service has the right to perform the work, by contract or otherwise, and withhold the cost of such work (which may include administrative cost and/or interest) from payments due under this Lease. In addition, the Postal Service may proportionally abate the rent for any period the demised premises, or any part thereof, are determined by the Postal Service to have been rendered unavailable to it by reason of such condition. Alternatively, the Postal Service may, if the demised premises are determined to be unfit for occupancy, at its sole discretion, cancel this Lease without liability.



Mortgagee's Agreement

(To be executed and attached to lease before it is recorded)

Facility Name/Location CAMDEN - EAST CAMDEN BRANCH (041494-003)
WOMBLE AND TABOR CAMDEN, AR 71701-9998

County: OUACHITA
Project: G32991

The undersigned, _____

holder(s) of a mortgage in the sum of _____

on the property situated at: WOMBLE AND TABOR CAMDEN, AR 71701-9998

hereby consent(s) to the leasing of said property to the U.S. Postal Service and agree(s) for itself, its successors, executors, administrators, and assigns that in the event it should become necessary to foreclose said mortgage the mortgagee will cause the sale of said premises to be made subject to said lease.

Mortgagee Company

Witness

By: _____
Signature of Mortgagee's Officer

Its _____
Title of Mortgagee's Officer

Street Address

City, State and ZIP+4

Subscribed and Sworn to before me, a notary public, in and for County, State of _____,

this _____ day of _____,

Notary Public

My commission expires _____.



Designation of Emergency Repair Personnel

Return completed, signed copy of this form to:
DAVID CLEVELAND
PROJECT MGR REAL ESTATE
DALLAS FACILITIES SERVICE OFFICE
PO BOX 667180
DALLAS, TX 75266-7180

Postal Unit: EAST CAMDEN BRANCH
Street Address: WOMBLE AND TABOR
City, State, ZIP + 4: CAMDEN AR, 71701-9998

Owner: HIGHLAND INDUSTRIAL
PARK A DIVISION OF HRI
RESOURCES INC

Contact the following personnel for emergency repairs for those services that are my responsibility under the terms of the lease, when I (or my agent) cannot be reached after a reasonable period of time at Area Code & Telephone

In the event the Postal Service is unable to contact the designated emergency repair person or such person is unavailable to perform necessary emergency repairs, the Postal Service is authorized to arrange for such repairs by repair personnel selected by the Postal Service with cost thereof to be reimbursed by the lessor.

For Roofing/ Structural Emergencies <input type="checkbox"/> Check if Not Applicable	EDDIE SULLIVAN
	HIGHLAND INDUSTRIAL PARK, INC
	870-574-1344
For Electrical Emergencies <input checked="" type="checkbox"/> Check if Not Applicable	
For Plumbing Emergencies <input checked="" type="checkbox"/> Check if Not Applicable	
For Heating, Ventilating and Air-Conditioning Emergencies <input checked="" type="checkbox"/> Check if Not Applicable	
For Other Emergencies (Windows, Doors, Locks, Etc.) <input checked="" type="checkbox"/> Check if Not Applicable	

Sign Original

This letter is not intended to, nor does it in any way, increase my responsibilities as owner (or agent w/ owner) of the property to the occupant, the U.S. Postal Service.	Signature of Owner or Owner's Agent		Date
	Name (Typed or Printed)		
	Street Address		
	City, State, ZIP + 4		



Exercise of Renewal Option

Facility Name/Location:

CAMDEN- EAST CAMDEN BRANCH (041494-003)
510 HIGHWAY 274, CAMDEN, AR 71701-7385

County : Ouachita
Project No: G98132

To
HIGHLAND INDUSTRIAL
PARK A DIVISION OF HRI
RESOURCES INC
PO BOX 3108
CAMDEN, AR 71711-1208

MAR 31 2009

Certified Mail #
70051820000794243666

Issuing Office

DALLAS FACILITIES SERVICE OFFICE PO BOX 667180
DALLAS, TX 75266-7180

Date of Existing Lease: 02/03/2003

The existing Lease has no amendments.

Pursuant to the Lease covering this facility, the Postal Service hereby exercises its option to renew said Lease as follows:

Term: 5 Years From (Date): 05/01/2010 To (Date): 04/30/2015 Annual Rate: \$9,420.00

\$785/mo.

In all other respects, the said Lease shall remain the same and is hereby confirmed.

Remarks

EXERCISE FIRST OF TWO, 5-YEAR RENEWAL OPTIONS.

HIGHLAND INDUSTRIAL PARK

MAR 31 2009

RECEIVED

Date

3-27-08

Name of Contracting Officer
Tina Moyer

Signature

Jana Garcia

Subject: East Camden, AR
Location: MeetingPlace: 866-723-1693 ID: 0406115 - BB:8667231693x10406115#1

Start: Tue 4/26/2011 3:00 PM
End: Tue 4/26/2011 5:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Campbell, Georgia C - Little Rock, AR

When: Tuesday, April 26, 2011 3:00 PM-5:00 PM (GMT-06:00) Central Time (US & Canada).

Where: MeetingPlace: 866-723-1693 ID: 0406115 - BB:8667231693x10406115#1

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

First, I'd like to apologize again for not being able to come to Camden this evening, and thank you for your understanding. Unfortunately Mother Nature interfered with operations in a number of postal facilities with last night's storms. I am sure you are aware, we're battering down for another night of possible problems, this evening.

The first 5 pages of the attached file covers actions and costs associated with the proposed closing of the East Camden Station. While still in the study phase of the process, these facts and figures are not firm, and could change. The remainder of the attachment covers updated communications from our HQ Government Relations Office regarding facts about the USPS' ongoing activities, our plans for the future and the challenges we face.

We have set up a telecon/netmeeting for 3 pm today. The call in number and meeting ID is reflected below.

Thanks again for your consideration and cooperation.

Patti Robinson
Manager, Marketing
US Postal Service, Arkansas District

NOTE: You can attend only 30 minutes prior to the meeting start time.

TO ATTEND WITH AUDIO ONLY:

From a phone, dial:

Phone Number(s): 866-723-1693
Meeting ID: 0406115
Date/Time: APR 26, 2011 at 3:00 PM America/Chicago
Password:

TO ATTEND THE WEB CONFERENCE AND JOIN WITH AUDIO (No earlier than 30 minutes prior to the start):

- 1) Browse to: <http://meetingplace2.usps.gov/a/f95643b798dc52c162fa18b7e6cca927>
- 2) After the MeetingPlace window is open, click the Phone icon (under the Participant List or in the upper right-hand corner).
- 3) Click Connect Me, validate or update your phone number and click Connect Me again.
- 4) When the system calls you press 1 to join.

Brought to you by Information Technology

Support Information

Browse to the MeetingPlace Reference Center at <http://meetingplace1.usps.gov/refcenter> for more information including training material, meeting tips, and FAQs.

For MeetingPlace problems or issues, please contact the MeetingPlace Help Desk at 1-800-343-1796 or by email at <mailto:usps@meetingplace.net>

Visit <http://meetingplace2.usps.gov/test/> to test your web browser for compatibility with MeetingPlace.



East Camden
4-26.pdf

Chism, Cary E - Little Rock, AR

From: Gilkerson, Gigi E - Little Rock, AR
Sent: Friday, April 08, 2011 3:10 PM
To: Chism, Cary E - Little Rock, AR
Cc: Gilkerson, Gigi E - Little Rock, AR
Subject: East Camden Finance
Attachments: East Camden Cost Analysis.pdf

Cary,

Attached is the Action & Cost analysis for the East Camden Finance Unit. Please note there is a one-time cost of \$25k to add 8 racks of PO Boxes at the Camden MPO to accommodate the rented PO boxes from East Camden & Cullendale Station. The \$25k is divided between the 2 facilities on the cash flow/cost analysis (-\$12,500).

If you have any questions or concerns please give me a call.

Thanks.

Gigi Gilkerson | Optimization Team Leader
SW FSO, AR Satellite Office
6910 Lindsey Road, Suite 600
Little Rock, AR 72206-8560
501-955-6246 office | 501-247-9203 cell | 650-577-4683 fax
gigi.e.gilkerson@usps.gov

Action & Costs

Action: SW-11-073B

Fin/Sub: 041494-003

Facility SF: 1,410

Site SF: 1,824

Base Lease: \$9,420

LED: 4/30/2015

of Carriers: 0

Walk-In Rev: \$99K

PO Boxes Installed: 240

PO Boxes Rented: 113

Fin/Sub: 041494-G02

Facility SF: 30,979

Site SF: 66,359

BOV: N/A

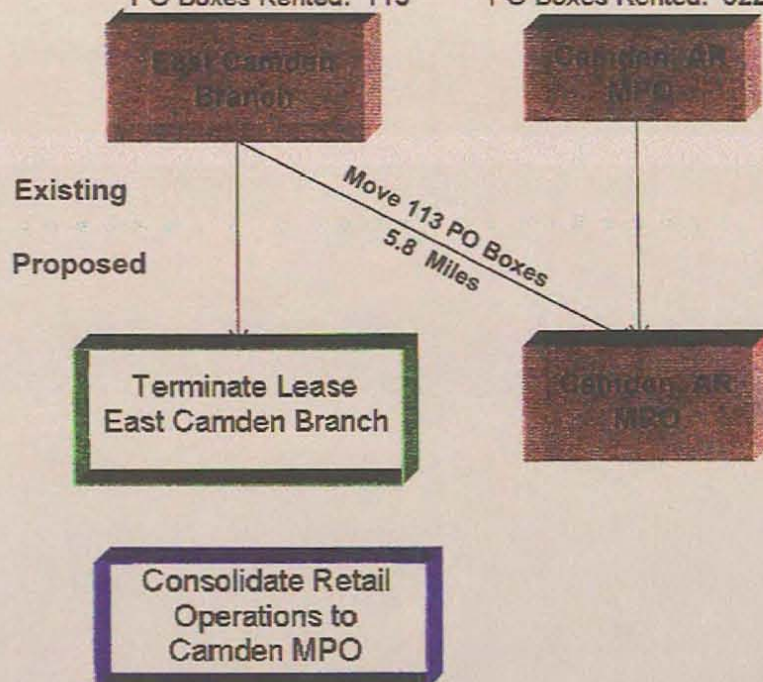
Book Value: \$162K

of Carriers: 19

Walk-In Rev: \$572K

PO Boxes Installed: 945

PO Boxes Rented: 622



Action Identification: SW-11-073B

Action:

Consolidate retail operations at East Camden Branch into the Camden MPO. Terminate lease at East Camden Branch.

Facilities Impacted:

East Camden Branch, Camden MPO

	Cost / Savings	
	One Time	Annual
Utilities		\$2,200
Craft Labor		\$88,727
Lease Costs/Savings (L41)		\$9,420
Inter-Station Transportation		\$2,510
Build-Out Costs (L63)	(\$12,500)	
Total	(\$12,500)	\$102,857

Renovation Costs (L63): \$25K Capital investment to renovate the Camden MPO to add 8 racks of PO Boxes.

Craft Labor Savings: 1 Level-7 Clerk position eliminated.

10-Year NPV: \$638,379

Post Office Survey Sheet

Post Office Name	<u>EAST CAMDEN</u>	ZIP+4	<u>71701-7385</u>
Congressional District	<u>AR04</u>	Date	<u>02/25/2011</u>

1. List specific information about the facility, such as structural defects, safety hazards, lack of running water or restrooms (if so, where restrooms are available), security, and other deficiencies or factors to consider.
none
2. Is the facility accessible to persons with disabilities? ☒ Yes ☐ No
3. Lease terms? 30-day cancellation clause? exp 05/31/2013 no 30-day clause \$1.00 annual lease
4. Are suitable alternate quarters available for an independent Post Office? If so, where?
closing this station
5. List potential CPO sites.
n/a closing this station
6. Are there any postage meter customers or permit mailers? ☒ Yes ☐ No
If yes, please identify them by name and address.

7. Which career and noncareer employees will be affected and what accommodations will be made for them?
clerk will be moved to the MPO
8. How is mail received and dispatched at the office and at what times? How will this be affected by discontinuance? Will a collection box be retained? Will a locked pouch be utilized?
no

How many Post Office boxes are installed?	<u>240</u>
How many Post Office boxes are used?	<u>111</u>
What are the window service hours?	<u>08:00 - 16:30 M-F</u>
	<u>10:00 - 12:00 S</u>
What are the lobby hours?	<u>24 hrs M-F</u>
	<u>24 hrs S</u>
9. Have there been recent cases of mail theft or vandalism reported to the postmaster/OIC? Explain.

Post Office Survey Sheet(continued)

Docket: 1438579 - 71701

Page Nbr: 15

Page Nbr: 2

10.	What equipment in the Post Office is not owned by the Postal Service (e.g., Post Office Boxes, furniture, safe)?	
	none	
11.	List potential CBU/parcel lockers sites and distances from present Post Office site.	
	none	
12.	Are there any special customer needs? (People who cannot read or write, who cannot drive, who have infirmities or physical handicaps, etc.) How can these people be accommodated?	
	none	
13.	Rural delivery/HCR delivery.	
a.	What is current evaluation?	
b.	Will this change result in the route being overburdened?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If so, what accommodations will be made to adjust the route?	
c.	How many boxes and miles will be added to the route?	0, box 0.00 Miles
d.	What would be the additional annual expense if the route is increased?	0
e.	What is the one-time cost of CBU/parcel locker installation (id appropriate)?	0
f.	At what time of the day does the carrier begin delivery to the community?	
	Will this delivery time be affected if the office is discontinued? (Y or N)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If so, how?	0
14.	Are the Post Office box fees at the facility that will provide alternative service different from those at the office to be discontinued? If so, how (Cost)? <input type="checkbox"/> More <input checked="" type="checkbox"/> Same <input type="checkbox"/> Less	

Community Survey Sheet

Community Survey Sheet

Post Office Name	<u>EAST CAMDEN</u>	ZIP+4	<u>71701-7385</u>
Congressional District	<u>AR04</u>	Date	<u>02/28/2011</u>

1. Incorporated? ☐ Yes ☒ No
Local government provided by: City of Camden
Police protection provided by: City of Camden Police Dept
Fire protection provided by: City of Camden Fire Dept
School location: Camden School District
2. What population growth is expected? (Please document your source)
Post Office Name: Camden, AR ZIP Code: 71701 Total Population: Total Households: 2010 19,957 2010 8,228 2015 19,043 2015 7,885 Projected Annual Household Growth Rate: -0.85% Facility Planning 2010 Dataset
<http://56.72.29.105/req/GrowthResults10.cfm>
3. What residential, commercial, or business growth is expected? (Please document your source)
Population Growth Camden, AR 71701 Arkansas United States 2009 Population 19,011 2,882,647 306,069,955 Population Change Since 1990 -19% 23% 23% Population Change Since 2000 -13% 8% 9%
http://www.clrsearch.com/71701_Demographics/Population_Growth_Statistics
4. History. (Are there any special historical events related to the community?
Are there any special community events to consider?
Is the Post Office facility a state or national historic landmark (see ASM 515.23)?
Check with the field real estate office when verification is needed.)
none
5. What is the geographic/economic make-up of the community (e.g., retirees, commuters, self-employed, farmers)?
commuters
6. Which nonpostal services are provided by the Post Office (e.g., public bulletin board, school bus stop, community meeting location, voting place, government form distribution center. Do employees of the office offer assistance to senior citizens and handicapped)?
What provisions can be made for these services if the Post Office is discontinued?
none



POSTAL SERVICE LEGISLATIVE NEEDS FOR THE 112TH CONGRESS

Revenue and mail volume projections point to continuing and dramatic losses in the billions. In March 2010, the USPS unveiled its Action Plan for the future which outlined changes within the agency's control and changes that required legislative change. In FY 2011, the USPS is projecting a \$6.4 billion loss.

As a result, the USPS is examining ways to cut costs and is undertaking a major organization restructuring and a review of Post Office closures and consolidations. In addition, the agency also is aggressively pursuing revenue opportunities, such as an increased focus on mailing packages. The USPS understands that to best serve the American public for the future, it must be leaner, and more able to quickly respond to customer mailing needs. The following areas indicate where legislative changes are needed:

Retiree Health Benefits Prefunding/CSRS/FERS: One of the most urgently needed modifications is in the area of legacy costs. The USPS is burdened with a requirement to pre-fund health benefits for future retirees; a payment that equates to approximately \$5.4 billion per year, every year through 2016. In addition, an examination into overfunding of both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) must continue. Legislative action is needed to address the pre-funding levels as well as the retirement system overpayments, in order to put the USPS back on solid financial footing.

Delivery Frequency: The USPS must have the flexibility to adjust delivery days to better reflect current mail volumes as well as shifting customer habits. Numerous surveys have shown that the public favors a five-day delivery structure over increases in stamp prices, using taxpayer funds for postal operations, and other alternatives.

Expand Access: The ability to continue optimizing all access channels to provide postal products and services where and when our customers want them is crucial. This includes providing postal services at non-traditional locations like grocery stores, pharmacies, retail centers, office supply stores, self-service kiosks and online at *usps.com*.

Workforce: Realigning the Postal workforce and improving workforce flexibility is an integral part of our strategy. With more than 300,000 employees becoming eligible for retirement in this decade, the opportunity to utilize a more flexible workforce represents tremendous potential savings for the USPS.

Pricing: Keeping our prices competitive will help the USPS grow business. Modifications in existing law can help ensure that prices of Market Dominant

mailing products are based on demand for each individual product and its associated costs, rather than the capping process for every class at the rate of inflation.

Expand Products and Services: Our goal is to simplify our product offerings to make our products easier to use. The ability to quickly create and bring to market new products and services is important to help us achieve this goal. We need to remove hurdles for businesses and encourage them to grow their use of the mail. We want to position the USPS as the low-cost, high-quality supplier for online purchases and consumer returns both individually and with our mailing partners.

Oversight: USPS strategies and its focus on continuous improvement will not succeed without clearly defined and appropriate oversight roles and more streamlined processes. Freeing the USPS to innovate, to form partnerships and to manage costs in a variety of ways will ensure the service's viability and help us reach our goals.

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PRESERVING THE NATION'S POSTAL SYSTEM: THE FACTS ABOUT USPS PLANS FOR THE FUTURE

Recent media reports have focused on Postal Service plans to close thousands of Post Offices throughout the nation. The consideration of whether to close a postal station, branch or Post Office is just one strategy in a wide array of actions the USPS is taking in the wake of continued financial struggles. A list of other efforts undertaken by the USPS is included here as well, so that a complete picture can be formed regarding USPS plans now and into the future.

POSTAL FACILITIES:

2,000 postal facilities closing: Recent media reports suggested that the USPS is evaluating approximately 2,000 postal facilities for possible closure. This effort is in the beginning stages and no list has been developed. The figure of 2,000 offices was an initial rough estimate of the number of postal locations that, due to a combination of factors, might be considered for consolidation. The USPS will provide the names and locations of facilities identified for consolidation when they are available. The numbers are likely to change as the process moves forward.

Status of suspended offices: There has been discussion about the status of approximately 491 offices which are currently suspended. These offices (Post Offices and stations/branches) are not operational and many have been suspended for long periods of time, in some cases for years. In most instances, customers in communities served by these suspended offices have been able to utilize alternate postal units with minimal inconvenience. The USPS is proceeding with the formal process to close these suspended offices.

Post Offices OR stations/branches: Although postal facilities appear to the general public to be the same, there is a difference between Post Offices and stations/branches. Stations and branches are administrative subsets of Post Offices in larger metropolitan areas. A previous initiative, begun in 2009, which sought to consolidate stations/branches, is continuing.

Timeline for closures: The USPS understands the important role it plays in communities throughout the nation. The process for closing these postal facilities is lengthy, consisting of a 57-step process. The USPS is seeking to streamline this complex set of guidelines and reduce the time it takes to complete this action. Currently, it can take up to 21 months to complete this process. The USPS is seeking to reduce this timeline to between 6-12 months. We will do that by reissuing our internal guidelines which regulate Post Office and station/branch closings. One crucial fact is that public input, which is gathered in

advance of any decisions being made regarding postal facility closures, will continue to be a critical part of the process.

REASONS FOR THIS ACTION:

The financial problems of the USPS are clear. No single reason is identifiable; rather, a combination of factors has led the USPS to consider these closures. These are:

- Staggering losses totaling \$20 billion in the last four fiscal years; including an \$8.5 billion loss in FY 2010 alone.
- Requirements to pre-fund health benefits for retirees. This Congressionally-mandated payment each FY through 2016 averages \$5.5 billion. No other entity – public or private – bears this burden. Without this required payment, the USPS would have been profitable three out of the last four fiscal years.
- Mail volume declines of 20 percent for the past five years; especially in the traditionally profitable First-Class Mail product, which is projected to decline another 3 percent in 2011.
- High fuel costs. The USPS operates the world's largest civilian fleet, with over 215,000 vehicles. Increases in gasoline prices hit the USPS hard.

For decades, postal facilities were constructed in locations where communities saw the most activity; in the center of town or near other government structures. As cities and towns expanded outward, many of the existing postal facilities remained in place, resulting in a network of offices located in areas where people no longer live, work and shop. A realignment of these postal facilities to match today's community activity and usage, as well as mail volume and other postal resources, is necessary.

Even as the USPS moves to better align its facility network, we continue to create quick, easy, and convenient ways for customers to utilize postal products and services. The wide variety of available alternate access channels includes:

- Contract Postal units, which are co-located in other businesses.
- Online services at *usps.com*, one of the most frequently visited government sites, averaging more than 1.3 million visitors each day.
- Automated Postal Centers (APC), which are self-serve kiosks allowing customers to purchase stamps and mail packages.
- Stamp purchases made at a number of consignment locations, such as ATMs, grocery and drug stores and other select retail outlets.
- Access via iPhone, using the USPS application, which is consistently ranked in the top 10 free apps.

MULTI-PRONGED APPROACH:

The USPS is not relying solely on the closure of retail facilities to manage costs. This activity is just one of several measures the USPS is taking to become leaner, increase efficiencies and maintain universal service. Other efforts include:

- Consolidating mail processing facilities by using Area Mail Processing (AMP) studies
- Aligning delivery operations more efficiently by moving letter carriers via Delivery Unit Optimization (DUO) guidelines.
- Reducing the number of career employees to 583,000; down from a high of 797,795 in 1999.
- Restructuring administrative functions at the district, area and headquarters levels.
- Adjusting delivery routes.

By combining all of the strategies listed above, including evaluating postal facilities, the USPS is working hard to manage costs, become more efficient and more competitive, all while ensuring customers have access to postal products and services.

GOING FORWARD:

The USPS needs added flexibility to make sound business decisions regarding its facility network, workforce, mail delivery and processing operations, pricing and a host of other issues. The inability to move nimbly and make necessary business decisions creates roadblocks to success.

By combining efforts to manage costs, streamline the physical network, create new, innovative postal products and services, find new outlets for reaching customers where they live, work and shop, and obtain the needed flexibility to respond to changes in the mailing industry, the USPS is seeking to preserve and protect the nation's postal system – and the world's best postal system.

One of the first actions taken by the founding fathers of the U.S. was to provide for a postal system to bind the nation together. The USPS understands its importance in the fabric of the country. The combination of efforts we are undertaking now will keep the service strong for another 200-plus years.

###



ORGANIZATIONAL CHANGES

A new, leaner organization structure was announced January 7, 2011 as the Postal Service continues to drive efficiencies and cut costs. The new structure provides focus on the following key business strategies:

- Strengthening the business-to-consumer channel
- Improving the customer experience
- Competing for the package business
- Becoming a leaner, faster, smarter organization

Ensuring quality customer satisfaction and reinforcing the value of mail remain priorities as the USPS continues to provide its employees with the necessary resources to lead significant change.

Internal Structural Change Highlights:

Six fewer officer positions:

- There are functional organizations that do not continue under the new officer structure however, program responsibilities will be absorbed by existing functions.

Southeast Area Office closing:

- All former Southeast District Offices will now report to the Southwest District Office with two exceptions: the Tennessee District will report to the Eastern Area and the Atlanta District will report to the Capital Metro Area.

Additional changes will be announced throughout the next several weeks with the goal of completing organization realignments by the end of the first fiscal quarter, March 31, 2011.

As part of the restructuring, it is anticipated that a Reduction-in-Force and Voluntary Early Retirement processes will be initiated by March 31, 2011.

Legislative Changes Still Necessary:

- The USPS will continue its drive to be leaner and more efficient. However, to ensure its financial viability, legislative changes are necessary.
- Independent studies have shown that the USPS has overfunded its Civil Service Retirement System. Congressional action is necessary to allow these surplus funds to be used to pay the annual Retiree Health Benefits (RHB) pre-funding requirement.

- In addition, OPM has identified that the USPS also has overfunded its Federal Employee Retirement System (FERS) account. Congressional action is necessary to allow USPS to use these funds to either pay down USPS debt or to pre-fund RHB.
- Mail volume no longer supports the need for six-day a week mail delivery. In FY 2010, volume declined by 3.5 percent. The USPS has proposed that it be given the ability to determine delivery frequency, but Congress must approve the change by removing the mandated six-day delivery requirement from the annual appropriations bill.

The USPS continues to face tremendous financial challenges as it ended FY 2010 with a financial loss of \$8.5 billion. This consisted of a \$500 million loss from our controllable operations, plus \$5.5 billion for pre-funding for RHB and a \$2.5 billion non-cash adjustment to our workers' compensation liabilities (driven mostly by changes in interest rates).

The USPS is committed to streamlining operations and providing excellent customer service as it works with Congress to resolve these critical matters.

###



ENSURING A VIABLE POSTAL SERVICE FOR AMERICA: AN ACTION PLAN FOR THE FUTURE

The Postal Service Office of Inspector General (OIG) has found that the USPS over-funded its Civil Service Retirement System (CSRS) obligation by \$75 billion. The Postal Regulatory Commission (PRC) concurred that CSRS is over-funded, but put the overage at roughly \$50 billion. The Office of Personnel Management (OPM) has found that the USPS over-funded its Federal Employees' Retirement Systems (FERS) obligation by more than \$6 billion. The Postal Accountability and Enhancement Act of 2006 (PAEA) mandates an accelerated ten year pre-funding of USPS retiree health benefits (RHB). This is a burden not shared by any federal agency or private sector company.

ACTION: ALLOW THE USE OF THE CSRS AND FERS OVER-FUNDING TO FUND THE RETIREE HEALTH BENEFITS PRE-PAYMENT REQUIREMENT AND PAY DOWN USPS DEBT

CSRS Background:

- Pension and health benefit costs are split between the Federal government and the USPS, as a result of the 1970 *Postal Reorganization Act*, which eliminated the Post Office Department and created the non-taxpayer supported, self-sustaining USPS in 1971.
- In January 2010, the USPS OIG released a report which concluded that an inequitable method was used to allocate CSRS pension costs between the USPS and the Federal government, for postal employees with service before 1971.
- As a result, the USPS was overcharged by \$75 billion for payments to CSRS retirees from 1972 to 2009.
- The OIG found that the division of CSRS pension costs, for postal employees with service before 1971, between the USPS and the Federal government is inequitable based upon the following:
 - The current methodology calculates the Federal government's share of the pension obligation based on the relevant employees' service years and base salaries in 1971, as if the retirement plan had terminated on that date.
 - The effects of future salary increases on the ultimate pension obligations were not considered the responsibility of the Federal government.

- The OIG's study maintains that the responsibility for pension costs for this group of employees should be divided between the Federal government and the USPS in a more reasonable manner to recognize the future earnings potential of the employees at the time of the 1971 reorganization. Under generally accepted accounting principles (GAAP), recorded pension obligations consider estimates of employees' future earnings along with their past service and salaries.
 - The OIG and the USPS recommend dividing the funding responsibilities for CSRS retirement obligations by splitting the total pension obligation for the relevant employees based on the years of service completed before and after the 1971 reorganization. This "years of service" methodology is similar to that currently used by OPM in allocating health care premiums for retirees.
- This would mean that the Federal government would be responsible for that portion of pension benefits accrued by employees while they were Post Office Department employees and the USPS would be responsible for that portion of pension benefits accrued while they were employees of the USPS, based upon the years of service in each organization.
 - For example, assume a Post Office Department employee had 10 years of service when the USPS was created, and then worked for another 20 years. The USPS would be liable for 2/3 of the total pension liability (30 years total service), because the employee worked for the USPS for 2/3 of his career. The Federal government would be responsible for the other 1/3.
 - In June of 2010, the PRC issued its evaluation of this issue and the PRC concurred that the USPS has over-funded its CSRS obligation. The PRC estimated the over-funding at roughly \$50 billion.
 - The PRC methodology differs from the OIG's in that the PRC method uses the actual benefit accrual formula embodied in a pension plan rather than a proration of the benefit cost based on years of service.
 - CSRS has an annual benefits accrual rate of 1.50 percent of final average salary for each of the first five years, 1.75 percent for each of the next five years, and 2.00 percent for each year thereafter, to a maximum of 80 percent. This percentage is applied to the high three-year average to determine the pension benefit. This approach reduces the amount of the pension obligation assigned to the initial years of service.
 - For instance, assume an employee works the first 10 years of his/her career for the Post Office Department and the last 20 years for the USPS. 29 percent of the pension liability is assigned to the Post Office Department and 71 percent is assigned to the USPS. This compares to the 33 percent assigned to the Post Office Department and 67 percent assigned to the USPS as described in the example above.

- The \$50 to \$75 billion in excess funding should be used to:
 - ensure that the USPS's CSRS obligation is fully funded;
 - fund the USPS RHB obligations with the remaining \$55.2 billion; and
 - use any remaining funds to repay to the U.S. Treasury the \$13.2 billion USPS debt (which will hit \$15 billion by the end of FY 2011), which was largely incurred to fund retirement plan obligations.
- This change would eliminate the need for the statutorily mandated prefunding payments to the Retiree Health Benefits Fund (RHBF), which average \$5.5 billion annually, because the transfer would fully fund the obligation.

FERS Background:

- In September 2010, the USPS OIG issued a separate report on the USPS's funding of its FERS obligation.
- The OIG noted that OPM estimated a \$6.8 billion surplus in the USPS's FERS obligation at the end of FY 2009. The OIG reduced this estimated surplus amount to \$5.5 billion after adjusting for inclusion of FERS sick leave benefits and anticipated actuarial adjustments.
- The OIG provided the following main recommendations related to the \$5.5 billion overfunding of FERS:
 - Legislative action to reduce the retirement contributions for one or more years until the USPS's FERS surplus is extinguished;
 - The USPS and OPM should identify the factors that caused the FERS surplus so that future contribution rates can better reflect the actual cost of providing retirement benefits to USPS retirees; and,
 - Legislative action to define a system to refund any future significant FERS surpluses.
- The USPS agrees that FERS over-funding should be addressed and that OPM's increased agency funding rate for 2011 (from 11.2 percent to 11.7 percent of payroll) is certainly not appropriate for the USPS, given the FERS surplus and the dire financial condition of the USPS.
 - OPM's recent increase in required agency funding for FERS increases USPS costs by roughly \$130 million per year, despite our over-funded position. The USPS appealed this increase on December 21, 2010.

Retiree Health Benefits Background:

- The PAEA mandates an accelerated ten year pre-funding of USPS retiree health benefit obligations.
- The statutorily mandated payment schedule requires USPS to make annual pre-funding payments averaging \$5.6 billion from FYs 2007 to 2016 to the USPS Retiree Health Benefits Fund, established by PAEA. The USPS also is required to separately pay the actual yearly insurance premiums for current retirees at an average annual cost of over \$3 billion through 2016.

- When this payment schedule was developed in FY 2006, the USPS believed the pre-funding plan was achievable; however, recent financial difficulties caused by large reductions of mail volume have significantly changed that position.
- USPS losses for FYs 2007 and 2008 were \$5.1 billion and \$2.8 billion, respectively. Significantly contributing to these losses were retiree health benefit pre-funding costs of \$8.4 billion in 2007 and \$5.6 billion in 2008. Absent these required payments, the USPS would have seen profits of \$3.3 billion and \$2.8 billion, respectively.
- Had it not been for legislation in 2009 that reduced the pre-funding payment to the Retiree Health Benefits Fund from \$5.4 billion to \$1.4 billion, the USPS would have ended FY 2009 with a net loss of \$7.8 billion. However, due to the legislative change, the USPS was able to significantly reduce its loss to \$3.8 billion.
- In FY 2010, the USPS lost \$8.5 billion.
- The unique statutory requirement to prefund retiree health benefits is not sustainable. The obligation will cost the USPS and its customers, not taxpayers, more than \$50 billion in prefunding over the ten years.
- The USPS urgently needs a restructuring of this obligation. It is time to re-examine the payment schedule — which is far more onerous than that which other commercial entities or government agencies are required to make. Without a change, the USPS faces a significant liquidity crisis and will not have sufficient cash on hand to manage operations and meet its operating, payroll and debt service obligations.
- Legislative relief on the payment schedule for retiree health benefits would ease financial pressures until the economy recovers and while the USPS executes additional strategies to increase efficiencies, reduce costs, and retain and grow revenue. It would also reduce the need for the USPS to borrow money from the Treasury for the sole purpose of depositing that money into the Postal Retiree Health Benefits Fund.
- At the end of FY 2010, the Retiree Health Benefit Fund had a balance of more than \$42 billion, which is sufficient to pay for lifetime health insurance coverage for all current retirees.

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